

Asylum Seeker Resource Centre Inc.

ABN 64 114 965 815

Financial Statements

For the year ended 30 June 2023

Asylum Seeker Resource Centre Inc.

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30 June 2023

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General information

The financial statements cover Asylum Seeker Resource Centre Inc. ('the Incorporated Association'). The financial statements are presented in Australian dollars, which is the Incorporated Association's functional and presentation currency.

Asylum Seeker Resource Centre Inc. is a not-for-profit organisation incorporated in Victoria under the Associations Incorporation Reform Act 2012 ('the Act').

A description of the nature of the Association's operation and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 November 2023. The directors have the power to amend and reissue the financial statements.

Registered office and principal place of business

Asylum Seeker Resource Centre Inc.
214-218 Nicholson Street
FOOTSCRAY VIC 3011

Asylum Seeker Resource Centre Inc.
Directors' report
30 June 2023

The Board members present their report, together with the financial statements, on the entity Asylum Seeker Resource Centre Inc. (referred to hereafter as the 'the Incorporated Association') for the year ended 30 June 2023.

Directors

The following persons were directors of Asylum Seeker Resource Centre Inc. during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Appointed / Resigned
Mike Sum	Chair	
Gregory Tucker		Resigned on 22-11-2022
Haleh Homaei		Resigned on 30-06-2023
Rebekah Lautman		
John Pham		
Marija Maher		
Katelyn Bonato	Treasurer	
Lucy Chen		Appointed on 23-02-2023

Objectives

The organisation's ultimate objective is to ensure people seeking asylum and refugees can live safely, sustainably, independently and equally.

Strategy for achieving the objectives

Our strategic goals for 2022-2024 are:

- We will prioritise and embed the voice and rights of people seeking asylum and refugees in our work.
- Our services, advocacy and culture will be aligned to the human rights of our members, people seeking asylum and refugees.
- Our integrated, streamlined approach will deliver the best possible experience and outcomes for our members, people seeking asylum and refugees.
- We will work with the movement as a valued advocacy and sector partner to realise the rights of people seeking asylum and refugees.

Principal activities

The Asylum Seeker Resource Centre Inc. is an independent, not-for-profit organisation that is committed to upholding the human rights of all people seeking asylum.

Our mission is to protect people seeking protection from persecution and destitution, support well-being and dignity, and empower them to advance their own future. We do this by offering 30 holistic programs that provide legal assistance, education and employment services, social and housing support, healthcare services, emergency relief and food to more than 6,800 people each year.

Performance measures

The ASRC is embedding a new, evidence-based quality framework for human rights-based practice in line with our 2022-2024 Strategy. This includes a systematic review of our existing program logic models and measurement & evaluation plans to embed a trauma informed and rights-based approach in our work. This will establish a basis for continuous improvement in our efforts to create positive change, not only for individuals and families seeking asylum, but structural and systemic change through policy and legislative reform. We will identify key performance indicators across our frontline services and advocacy programs, as well as build the data systems to evaluate our outcomes against external quality and compliance standards. This will improve our capacity for impact reporting, as well as our transparency and accountability to clients, funders and stakeholders.

Review of operations

The surplus for the Incorporated Association amounted to \$1,658,904 (30 June 2022: Deficit of \$5,292,775).

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Incorporated Association's operations, the results of those operations, or the Incorporated Association's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Incorporated Association and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Incorporated Association.

Environmental issues

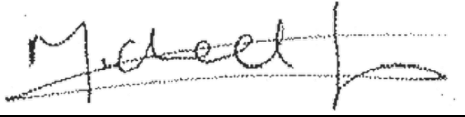
The Incorporated Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Asylum Seeker Resource Centre Inc.
Directors' report
30 June 2023

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Mike Sum
Chair



Katelyn Bonato
Treasurer

16 November 2023
Melbourne, Victoria

RSM Australia Partners

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Auditors Independence Declaration under Section 60 40 of the *Australian Charities and Not for profits Commission Act 2012*

As lead auditor for the audit of the financial report of Asylum Seeker Resource Centre Inc. for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

Rsm

RSM AUSTRALIA PARTNERS

K J Dundon

K J DUNDON

Partner

Dated: 16 November 2023

Melbourne, Victoria

Asylum Seeker Resource Centre Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue	3	29,767,800	25,043,420
Expenditure			
Salaries and wages	4	(18,712,289)	(19,631,257)
Stream operations	5	<u>(9,396,607)</u>	<u>(10,704,938)</u>
Surplus/(deficit) before income tax expense		<u>1,658,904</u>	<u>(5,292,775)</u>
Income tax expense		<u>-</u>	<u>-</u>
Surplus/(deficit) after income tax expense for the year attributable to the members of Asylum Seeker Resource Centre Inc.		<u>1,658,904</u>	<u>(5,292,775)</u>
Other comprehensive loss for the year, net of tax		<u>(140,617)</u>	<u>-</u>
Total comprehensive income/(loss) for the year attributable to the members of Asylum Seeker Resource Centre Inc.		<u>1,518,287</u>	<u>(5,292,775)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Asylum Seeker Resource Centre Inc.
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	12,355,717	9,948,898
Trade and other receivables	7	1,371,880	1,307,198
Inventories		-	116,095
Prepayments		275,137	324,858
Total current assets		<u>14,002,734</u>	<u>11,697,049</u>
Non-current assets			
Property, plant and equipment	8	5,245,985	5,633,479
Right-of-use assets	9	107,833	323,497
Prepayments		63,000	49,500
Total non-current assets		<u>5,416,818</u>	<u>6,006,476</u>
Total assets		<u>19,419,552</u>	<u>17,703,525</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,991,167	1,968,142
Contract liabilities	11	704,884	258,647
Lease liabilities	12	163,608	315,482
Employee benefits	13	1,837,630	1,752,079
Total current liabilities		<u>4,697,289</u>	<u>4,294,350</u>
Non-current liabilities			
Lease liabilities	12	-	163,608
Employee benefits	13	142,391	183,982
Total non-current liabilities		<u>142,391</u>	<u>347,590</u>
Total liabilities		<u>4,839,680</u>	<u>4,641,940</u>
Net assets		<u>14,579,872</u>	<u>13,061,585</u>
Equity			
Retained surpluses		14,720,489	13,061,585
Asset Revaluation Reserve		(140,617)	-
Total equity		<u>14,579,872</u>	<u>13,061,585</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Asylum Seeker Resource Centre Inc.
Statement of changes in equity
For the year ended 30 June 2023

	Asset Revaluation Reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	-	18,354,360	18,354,360
Surplus/(deficit) after income tax expense for the year	-	(5,292,775)	(5,292,775)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(5,292,775)	(5,292,775)
Balance at 30 June 2022	-	13,061,585	13,061,585
Balance at 1 July 2022	-	13,061,585	13,061,585
Surplus/(deficit) after income tax expense for the year	-	1,658,904	1,658,904
Other comprehensive loss for the year, net of tax	(140,617)	-	(140,617)
Total comprehensive income for the year	(140,617)	1,658,904	1,518,287
Balance at 30 June 2023	(140,617)	14,720,489	14,579,872

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Asylum Seeker Resource Centre Inc.
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from fundraising, donations and grants		27,437,729	22,026,152
Receipts from social enterprise		3,172,091	2,916,831
Other receipts		236,104	193,368
Interest received		57,138	1,064
Payments to suppliers		(9,245,909)	(10,825,249)
Payments to employees		(18,668,329)	(19,148,244)
Net cash provided by/(used in) operating activities		<u>2,988,824</u>	<u>(4,836,078)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(273,106)	(1,549,244)
Proceeds from sale of property, plant and equipment		20,084	-
Proceeds from security deposits		(13,500)	36,400
Net cash provided by/(used in) investing activities		<u>(266,523)</u>	<u>(1,512,844)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(315,482)	(331,750)
Net cash provided by/(used in) financing activities		<u>(315,482)</u>	<u>(331,750)</u>
Net increase/(decrease) in cash and cash equivalents		2,406,819	(6,680,672)
Cash and cash equivalents at the beginning of the financial year		9,948,898	16,629,570
Cash and cash equivalents at the end of the financial year	6	<u><u>12,355,717</u></u>	<u><u>9,948,898</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Incorporated Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Reform Act 2012, the Charitable Fundraising Act 1991 and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Incorporated Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Incorporated Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Incorporated Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Incorporated Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Donations

Donations and bequests are recognised as revenue when the Incorporated Association obtains control over the funds, donations collected but not received from external parties are accrued.

In-specie donations are recognised at an agreed value when the Incorporated Association obtains control of the asset.

Goods donated in-kind are recorded at the assets fair value when the Incorporated Association obtains control of the asset.

Grants

Grant revenue is recognised in profit or loss when the Incorporated Association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Incorporated Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The Incorporated Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Incorporated Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Incorporated Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Incorporated Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Incorporated Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Investments and other financial assets (continued)

Impairment of financial assets

The Incorporated Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Incorporated Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Freehold Buildings	5% (20 years)
Leasehold Improvements	5% (20 years)
Office Equipment	20% (5 years)
Furniture, Fixtures & Fittings	10% (10 years)
IT Hardware & Software	25% (4 years)
Motor Vehicles	12.5% (8 years)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Incorporated Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Incorporated Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Incorporated Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Incorporated Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Incorporated Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Incorporated Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Incorporated Association has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Incorporated Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Incorporated Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Incorporated Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Incorporated Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Incorporated Association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Incorporated Association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Lease term

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Incorporated Association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Asylum Seeker Resource Centre Inc.
Notes to the financial statements
30 June 2023

Note 3. Revenue

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Grants	4,572,970	4,846,883
Social enterprises	2,964,095	2,598,956
	<u>7,537,065</u>	<u>7,445,839</u>
<i>Other revenue</i>		
Fundraising	10,537,784	7,233,702
Donations	10,636,124	10,169,447
Goods donated In Kind	763,585	-
Interest received	57,138	1,064
Other income	236,104	193,368
	<u>22,230,735</u>	<u>17,597,581</u>
Revenue	<u>29,767,800</u>	<u>25,043,420</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	2,964,095	2,598,956
Services transferred over time	4,572,970	4,846,883
	<u>7,537,065</u>	<u>7,445,839</u>

Note 4. Salaries and wages*

	2023	2022
	\$	\$
Advocacy	1,147,321	1,083,422
Fundraising & Marketing	1,947,835	2,339,168
Law Program	2,636,776	2,679,155
Humanitarian services	5,252,918	5,264,613
Refugee Resource Hub	603,446	1,565,598
Monitoring and evaluation	118,948	87,624
Staff & Volunteer Management	642,379	766,272
Shared Services & Administration	3,305,844	3,162,416
Social enterprises	3,056,822	2,682,989
	<u>18,712,289</u>	<u>19,631,257</u>

Note 5. Stream operations*

	2023	2022
	\$	\$
Advocacy	554,033	228,460
Fundraising & Marketing	2,415,434	1,540,921
Law Program	415,856	261,190
Humanitarian services	4,256,224	4,317,886
Refugee Resource Hub	260,454	257,563
Monitoring and evaluation	12,551	2,290
Staff & Volunteer Management	170,900	536,088
Shared Services & Administration	306,765	2,849,386
Social enterprises	1,004,390	711,154
	<u>9,396,607</u>	<u>10,704,938</u>

* In financial year 2022-2023, ASRC has reviewed its expenditure structure in order to ensure program costing reflects a truer picture of the organisation's cost profile. This review has factored in allocating management cost, ICT and property cost to programs for service delivery and advocacy in line with service usage.

Asylum Seeker Resource Centre Inc.
Notes to the financial statements
30 June 2023

Note 6. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	333	447
Cash at bank	12,355,384	9,948,451
	<u>12,355,717</u>	<u>9,948,898</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>12,355,717</u>	<u>9,948,898</u>
Balance as per statement of cash flows	<u>12,355,717</u>	<u>9,948,898</u>

Note 7. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	348,842	260,428
Provision for doubtful debts	(2,996)	(5,397)
Donations receivable	1,026,034	1,052,167
	<u>1,371,880</u>	<u>1,307,198</u>

Note 8. Non-current assets - property, plant and equipment

	2023	2022
	\$	\$
Freehold land - at valuation	2,100,000	2,100,000
Freehold building - at valuation	2,400,000	2,570,629
Less: Accumulated depreciation	-	(77,582)
	<u>4,500,000</u>	<u>4,593,047</u>
Furniture, fixtures and fittings - at cost	35,975	53,225
Less: Accumulated depreciation	(8,576)	(9,051)
	<u>27,399</u>	<u>44,174</u>
Motor vehicles - at cost	309,093	383,606
Less: Accumulated depreciation	(174,910)	(218,799)
	<u>134,183</u>	<u>164,807</u>
Office equipment - at cost	707,441	832,342
Less: Accumulated depreciation	(321,013)	(365,080)
	<u>386,428</u>	<u>467,262</u>
Leasehold Improvements - at cost	1,841,741	1,779,411
Less: Accumulated depreciation	(1,643,766)	(1,415,222)
	<u>197,975</u>	<u>364,189</u>
	<u>5,245,985</u>	<u>5,633,479</u>

Asylum Seeker Resource Centre Inc.
Notes to the financial statements
30 June 2023

Note 8. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land and buildings	Furniture	Vehicles	Equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	4,593,047	44,174	164,807	467,262	364,189	5,633,479
Additions	145,727	-	6,952	54,237	66,190	273,106
Disposals	(1,038)	(11,618)	-	(6,873)	(555)	(20,084)
Revaluation	(140,617)	-	-	-	-	(140,617)
Depreciation expense	(97,119)	(5,157)	(37,577)	(128,198)	(231,849)	(499,900)
Balance at 30 June 2023	<u>4,500,000</u>	<u>27,399</u>	<u>134,183</u>	<u>386,428</u>	<u>197,975</u>	<u>5,245,985</u>

Valuations of land and buildings

Land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the land and building are not subject to an independent valuation, the Directors conduct a Directors' valuation to ensure the carrying amount for the land and buildings is not materially different to the fair value.

The land and buildings were independently valued at 17 March 2023 by Insight Property. The valuation was based on a direct comparison method. The land and buildings are categorised within the fair value hierarchy at Level 3, which relates to valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Directors believe the carrying amount of the land and buildings materially reflects their current fair value as at 30 June 2023.

Asylum Seeker Resource Centre Inc.
Notes to the financial statements
30 June 2023

Note 9. Right-of-use assets

	2023	2022
	\$	\$
Right-of-use assets	2,339,241	2,339,241
Less: Accumulated depreciation	<u>(2,231,408)</u>	<u>(2,015,744)</u>
	<u>107,833</u>	<u>323,497</u>

The Incorporated Association leases land and buildings for its offices under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various clauses. On renewal, the terms of the leases are renegotiated.

The Incorporated Association leases office equipment under agreements of less than two years. The lease are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 10. Current liabilities - trade and other payables

	2023	2022
	\$	\$
Trade payables	844,033	898,883
Accrued salaries and superannuation payable	<u>1,147,134</u>	<u>1,069,259</u>
	<u>1,991,167</u>	<u>1,968,142</u>

Note 11. Current liabilities - contract liabilities

	2023	2022
	\$	\$
Grants received in advance	<u>704,884</u>	<u>258,647</u>

Note 12. Lease liabilities

	2023	2022
	\$	\$
CURRENT		
Lease liabilities	<u>163,608</u>	<u>315,482</u>
NON-CURRENT		
Lease liabilities	<u>-</u>	<u>163,608</u>
	<u>163,608</u>	<u>479,090</u>

Future lease payments

Future lease payments are due as follows:

Within one year	165,949	331,898
One to five years	-	165,949
More than five years	-	-
	<u>165,949</u>	<u>497,847</u>

Note 13. Employee benefits

	2023	2022
	\$	\$
CURRENT		
Annual leave	1,331,599	1,458,833
Long service leave	<u>506,031</u>	<u>293,246</u>
	<u>1,837,630</u>	<u>1,752,079</u>
NON-CURRENT		
Long service leave	<u>142,391</u>	<u>183,982</u>
	<u>1,980,021</u>	<u>1,936,061</u>

Asylum Seeker Resource Centre Inc.
Notes to the financial statements
30 June 2023

Note 14. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the Incorporated Association is set out below:

	2023	2022
	\$	\$
Aggregate compensation	<u>1,152,885</u>	<u>1,917,496</u>

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Incorporated Association, its network firm and unrelated firms:

	2023	2022
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	<u>41,500</u>	<u>25,000</u>

Note 16. Contingent assets

In the opinion of the Board, the Incorporated Association did not have any contingent assets at 30 June 2023 (30 June 2022: None).

Note 17. Contingent liabilities

In the opinion of the Board, the Incorporated Association did not have any contingent liabilities at 30 June 2023 (30 June 2022: None).

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 14.

Transactions with related parties

The following transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2023	2022
	\$	\$
Book donation by Kon Karapanagiotidis	151,775	-
Consulting fees paid to PricewaterhouseCoopers (Katelyn Bonato is a Partner at PwC)**	6,926	90,229
ASRC cleaning income from Children's Ground	3,621	-

**Katelyn Bonato had declared all interests and was not involved in the selection of PwC for consulting purposes.

Receivable from and payable to related parties

The were no balances outstanding at the reporting date in relation to transactions with related parties.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 19. Events after the reporting period

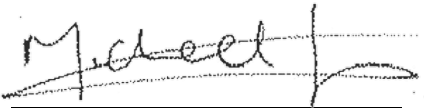
No matters or circumstances have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Incorporated Association's operations, the results of those operations, or the Incorporated Association's state of affairs in future financial years.

Asylum Seeker Resource Centre Inc.
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Form Act 2012, the Charitable Fundraising Act 1991 and associated regulations;
- the attached financial statements and notes give a true and fair view of the Incorporated Association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Incorporated Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Mike Sum
Chair



Katelyn Bonato
Treasurer

16 November 2023
Melbourne, Victoria

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of Asylum Seeker Resource Centre Inc.

Opinion

We have audited the financial report of Asylum Seeker Resource Centre Inc., which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Asylum Seeker Resource Centre Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Asylum Seeker Resource Centre Inc. in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Asylum Seeker Resource Centre Inc.'s annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

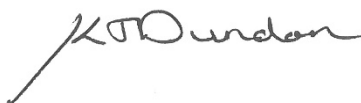
The directors of the Asylum Seeker Resource Centre Inc. are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Asylum Seeker Resource Centre Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Asylum Seeker Resource Centre Inc. or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS****K J DUNDON**

Partner

Dated: 20 November 2023
Melbourne, Victoria