

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

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# THE MULTICULTURAL NETWORK INCORPORATED

ABN 65 336 626 311

## OFFICERS' REPORT

Your committee members present the financial report of the The Multicultural Network Incorporated for the financial year ended 30 June 2018.

### Committee Members

The names of committee members throughout the year and at the date of this report are:

Loubna Hamoud, Sue Huxtable-Jones, Boshra Masri, Layla Naji, Nga Nguyen, Aunty Lola Simmons and Wafa Zaim.

### Principal activities and performance

The principal activities during the financial year were to provide support, resources and advocacy for the diverse community in South West Sydney.

There were no significant changes in the nature of the activities of the association during the year.

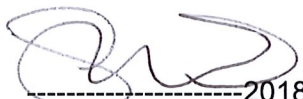
The Deficit from ordinary activities for the year amounted to \$13,590 (2017: \$30,587 surplus).

### Auditor's independence declaration

The auditor's independence declaration is set out on page 22 and forms part of the management committee' report for financial year ended 30 June 2018.

Signed for and on behalf of the Committee and in accordance with a resolution in respect thereof.

Sue Huxtable-Jones  
President

  
2018  
19.11.2018

Nga Nguyen  
Treasurer

  
19.11.2018

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Grants Received – Recurrent		997,272	1,075,756
Interest Received		4,589	5,297
Donations		0	150
Other Income		4,994	9,411
		<u>1,006,855</u>	<u>1,090,614</u>
<b>EXPENSES</b>			
Audit Fees		4,500	4,300
Consultants		86,146	107,266
Depreciation			
Employee Benefits		421,791	372,017
Rent and Related Costs		64,122	51,464
Loss on Sale of Assets			
Other Expenses		240,239	190,770
Unexpended Grants carried forward		203,647	334,210
		<u>1,020,445</u>	<u>1,060,027</u>
Surplus/Deficit for the year		(13,590)	30,587
RETAINED SURPLUS at the beginning of the financial year		<u>315,352</u>	<u>284,765</u>
RETAINED SURPLUS at the end of the financial year		<u>301,762</u>	<u>315,352</u>

***The accompanying notes form part of these financial statements.***

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **BALANCE SHEET AS AT**

**30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	654,488	817,809
Receivables	4	393	2,192
Other	5	17,875	3,989
<b>TOTAL CURRENT ASSETS</b>		<u>672,756</u>	<u>823,990</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6		
<b>TOTAL NON-CURRENT ASSETS</b>		<u></u>	<u></u>
<b>TOTAL ASSETS</b>		<u>672,756</u>	<u>823,990</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	22,827	50,585
Other	8	203,647	334,210
Provisions	9	28,102	17,038
<b>TOTAL CURRENT LIABILITIES</b>		<u>254,576</u>	<u>401,833</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	116,418	106,805
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>116,418</u>	<u>106,805</u>
<b>TOTAL LIABILITIES</b>		<u>370,994</u>	<u>508,638</u>
<b>NET ASSETS</b>		<u>301,762</u>	<u>315,352</u>
<b>FUNDS</b>			
Accumulated funds		<u>301,762</u>	<u>315,352</u>
<b>TOTAL FUNDS</b>		<u>301,762</u>	<u>315,352</u>

*The accompanying notes form part of these financial statements.*

**THE MULTICULTURAL NETWORK INCORPORATED**  
**ABN 65 336 626 311**

**STATEMENT OF CHANGES IN FUNDS FOR THE**  
**YEAR ENDED 30 JUNE 2018**

	Accumulated funds \$	Total \$
Balance 1 July 2017	<u>284,765</u>	<u>284,765</u>
Surplus for the year	<u>30,587</u>	<u>30,587</u>
Balance 30 June 2018	<u>315,352</u>	<u>315,352</u>
Surplus/(deficit) for the year	<u>(13,590)</u>	<u>30,587</u>
Balance 30 June 2018	<u>301,762</u>	<u>315,352</u>

*The accompanying notes form part of these financial statements.*

**THE MULTICULTURAL NETWORK INCORPORATED**  
**ABN 65 336 626 311**

**STATEMENT OF CASH FLOWS FOR THE**  
**YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from members and customers		1,177,640	1,146,261
Payments to suppliers and employees		(1,345,550)	(1,052,380)
Interest received		4,589	5,297
Net cash (outflow)/inflow from operating activities	10	(163,321)	99,178
Cash flows from investing activities			
Payment for property, plant and equipment			
Proceeds from sale of property, plant and equipment			
Net cash (outflow)/inflow from investing activities			
Net increase/(decrease) in cash held		(163,321)	99,178
Cash at the beginning of the financial year		817,809	718,631
Cash at the end of the financial year	3	654,488	817,809

*The accompanying notes form part of these financial statements.*

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies**

#### **General Information and Statement of Compliance**

The financial report has been prepared as a Tier 2 general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the *Associations Incorporation Act 2009 (NSW)*. In the opinion of the officers, the Association is not publicly accountable.

This financial report is for the entity The Multicultural Network Incorporated as an individual entity. The Multicultural Network Incorporated is an association incorporated in New South Wales under the *Associations Incorporation Act 2009 (NSW)*.

The Multicultural Network Incorporated is primarily involved in providing support, resources and advocacy for the diverse community in South West Sydney.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Reporting Basis and Conventions**

This financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report has been prepared on the going concern basis, which contemplates the continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. It is the opinion of the committee that there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

#### **Accounting Policies**

##### **(a) Revenue Recognition**

Government and other grants are recognised when the Association obtains control or the right to receive the grant, it is probable that the economic benefits will flow to the entity, and the amount of the grant can be measured reliably. The Association does not obtain <sup>1</sup>control of a grant until it has provided the services and met the conditions that make it eligible to control it. Grants received in advance are deferred as a liability and not recognised until the Association has provided the services and met the conditions.

Donations are recognised and brought to account in a cash basis when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies (Cont.)**

#### **(b) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is receivable from, or payable to, the ATO are classified as operating cash flows.

#### **(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to employee superannuation funds and are charged as expenses when incurred.

#### **(d) Income Tax**

The association has been classified as a tax-exempt charitable institution under section 50-5 of the Income Tax Assessment Act 1997.

#### **(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **(f) Property, Plant and Equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.



# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies (Cont.)**

#### **(f) Property, Plant and Equipment (Cont.)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following depreciation rates are used in the calculation of depreciation:

- Motor vehicles 22.5%
- Office equipment, furniture and fixtures 10-100%

Assets with a deemed life of less than three years are depreciated fully in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **(h) Impairment**

At the end of each reporting period, the association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that could have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE** **2018**

### **Note 1. Statement of Significant Accounting Policies**

#### **(Cont.) (h) Impairment (Cont.)**

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **(i) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### **(j) Financial instruments**

##### **Financial assets**

Financial assets are recognised initially on the date at which the association becomes a party to the contractual provisions of the instrument.

The association derecognises the financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the association is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the association has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The association has the following financial assets: loans and receivables, cash and cash equivalents and held to maturity investments.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the association's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies (Cont.)**

#### **0) Financial instruments (Cont.)**

##### **Financial assets (Cont.)**

Held to maturity investments are non- derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### **Financial liabilities**

Financial liabilities are recognised initially on the date, which is the date that the association becomes a party to the contractual provisions of the instrument.

The association derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the association has a legal right to offset the amounts and intends either settle on a net basis to realise the asset and settle the liability simultaneously.

The association classified financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

#### **(m) Use of Estimates and Judgments**

The preparation of financial statements in conformity with the Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of the Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

#### **(n) Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies (Cont.)**

#### **{o) Application of New and Revised Accounting Standards**

##### **Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year**

In the current year, the association has applied a number of amendments to AASBs and new Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2017, and therefore relevant for the current year end.

<b>Standard</b>	<b>Requirement</b>
AASB 1057 <i>Application of Australian Accounting Standards</i>	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.
AASB 2014-4 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <i>(Amendments to AASB 116 and AASB 138)</i>	AASB 116 <i>Property Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.  The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances

# **THE MULTICULTURAL NETWORK INCORPORATED**

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## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

### **Note 1. Statement of Significant Accounting Policies (Cont.)**

#### **(o) Application of New and Revised Accounting Standards**

**Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year**

<b>Standard</b>	<b>Requirement</b>
AASB 2015-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 2. Surplus</b>		
<b>Operating Revenue</b>		
Grants Received	663,062	799,785
Grants brought forward	334,210	275,971
Donations	0	150
Interest Received	4,589	5,297
Profit on Sale of Assets		
Other Income	4,994	9,411
	<u>1,006,855</u>	<u>1,090,614</u>
<b>Expenditure</b>		
Employee Benefits Expense	421,791	372,017
Depreciation		
Grants carried forward	203,647	334,210
Other Expenses	395,007	386,162
	<u>1,020,445</u>	<u>1,060,027</u>
Surplus/(loss) for the year	<u>(13,590)</u>	<u>30,587</u>
<b>Note 3. Cash and cash equivalents</b>		
Cash at bank	653,906	763,744
Cash on hand	582	582
Cash on deposit	0	53,483
	<u>654,488</u>	<u>817,809</u>
<b>Reconciliation of cash:</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash	<u>654,488</u>	<u>817,809</u>
<b>Note 4. Receivables</b>		
Trade debtors	<u>393</u>	<u>2,192</u>

**THE MULTICULTURAL NETWORK INCORPORATED**  
**ABN 65 336 626 311**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 5. Other assets</b>		
Rental Bond	17,875	0
Prepayments	<u>0</u>	<u>3,989</u>
	17,875	3,989
 <b>Note 6. Property, plant and equipment</b>		
Motor Vehicle -At Cost	_____	_____
Less Accumulated Depreciation	_____	_____
Total property, plant and equipment	_____	_____
 <b>Note 7. Payables</b>		
Trade Creditors and Accruals	<u>22,827</u>	<u>50,585</u>
 <b>Note 8. Other liabilities</b>		
Grants in Advance	<u>203,647</u>	<u>334,210</u>
 <b>Note 9. Provisions</b>		
Current		
Provision for employee entitlements	28,102	17,038
Capital Utilities	<u>28,102</u>	<u>17,038</u>
Non-current		
Provision	116,418	29,805
Capital Utilities	<u>0</u>	<u>77,000</u>
	116,418	106,805

# **THE MULTICULTURAL NETWORK INCORPORATED**

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## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Note 10. Cash flow information</b>		
<u>Reconciliation of Cash Flow from Operations with surplus/(loss) from ordinary activities</u>		
	-13590	30,587
Surplus/(loss) from ordinary activities		
Non-cash flows in surplus/(loss) from ordinary activities		
Depreciation		
(Profit)/Loss on sale of assets		
Changes in assets and liabilities		
Decrease/(increase) in receivables	1,798	2,705
Decrease/(increase) in other receivables	-13,977	5,339
Increase/(decrease) in payables	-24,518	42,600
Increase/(decrease) in provisions	113034	17,947
	-149,731	68,591
Cash flow from operations	-163,321	99,178

### **Note 11. Key management personnel compensation**

Members of the committee receive no remuneration in relation to management of the association.

### **Note 12. Auditor's remuneration**

Assurance services	4,500	4,300
Other services		
	4,500	4,300

### **Note 13. Capital and leasing commitments**

The association does not have any capital or leasing commitments.

### **Note 14. Contingent liabilities**

There are no contingent liabilities.

### **Note 15. Events after the reporting period**

No matters or circumstances have arisen that may significantly affect the operations or the state of affairs of the association in future periods.



# **THE MULTICULTURAL NETWORK INCORPORATED**

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## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 16. Related parties</b>		
<p>There were no related party transactions during the year. No officer has entered into a material contract with the association since the end of the previous financial year and there were no material contracts involving officers' interests existing at year end.</p>		
<b>Note 17. Financial Instruments</b>		
<p>(a) Financial risk management- objectives and policies The Association's financial instruments comprise cash and cash equivalents. In addition the Association has various financial assets and liabilities including amounts receivable and amounts payable to trade and other creditors.</p> <p>The main risks arising from the Association's financial instruments are interest rate risk, liquidity risk and credit risk. The Association does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments.</p> <p>The Association's policies for managing each of these risks are summarised below. The policies are subject to approval by the Management Committee and are reviewed regularly.</p> <p><u>Interest Rate Risk.</u> The Association is exposed to interest rate fluctuations on its cash at bank and cash on deposit investments. The Association actively monitors interest rates for cash at bank and on deposit to maximise interest income. The Association accepts the risk in relation to fixed interest securities as they are held to generate income on surplus funds.</p> <p><u>Liquidity Risk.</u> The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained.</p> <p><u>Credit Risk.</u> The Association is exposed to credit risk in respect of amounts receivable and in respect of funds deposited with banks and other financial institutions. The maximum exposure to credit risk as at 30 June 2018 is the carrying amounts of financial assets recognised in the balance sheet. The Association holds no collateral as security and the credit quality of all financial assets that are neither past due nor impaired is consistently monitored in order to identify any potential adverse changes in the credit quality.</p> <p>The amounts receivable outstanding beyond the relevant terms are followed up continually.</p> <p>Funds deposited with banks and other financial institutions are approved by the Management Committee.</p> <p>At the reporting date the Association does not have any material credit risk exposures to any single receivable or any bank or financial institution.</p>		

**THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Note 17. Financial Instruments (Cont.)**

(b) Fair values

Carrying amounts of financial assets and liabilities recorded in the financial statements represent their net fair values, as determined in accordance with the accounting policies disclosed in Note 1.

**THE MULTICULTURAL NETWORK INCORPORATED**

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**OFFICERS' ASSERTION STATEMENT**

In the opinion of the committee the financial report as set out on pages 3 to 18:

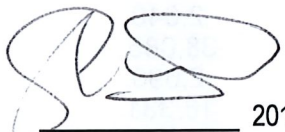
1. Presents a true and fair view of the financial position of The Multicultural Network Incorporated as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board
2. At the date of this statement, there are reasonable grounds to believe that The Multicultural Network Incorporated will be able to pay its debts as and when they fall due.

The committee further certifies and confirms in respect of funding provided by the various Federal, State and Local governments, that The Multicultural Network Incorporated:

1. has applied them only for the purposes approved and;
2. has complied with all applicable laws in the performance of the services and;
3. has complied with all the agreements and guidelines.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

**Sue Huxtable-Jones**  
Chairperson, \_\_\_\_\_

  
\_\_\_\_\_ 2018  
19.11.2018

**Nga Nguyen**  
Treasurer

  
19.11.2018

# **THE MULTICULTURAL NETWORK INCORPORATED**

**ABN 65 336 626 311**

## **DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Income</b>		
Grants Received – Dept of AD & HC NSW	150,964	141,176
Grants Received – Dept of AD & HC- ERO- SACS	6,932	17,350
Grants Received – Dept of Social Services – SACS	45,874	27,163
Grants Received – Dept of Health (previously Social Services)	305,419	301,499
Grants Received- Dept of Family and Community Services NSW	147,598	136,904
Grants Received -NDIS	-	117,500
Grants Received – Bankstown City Council	6,276	58,193
Grants Received brought forward	334,210	275,971
Donations	-	150
Interest Received	4,588	5,297
Other Income	4,994	9,411
	<u>1,006,855</u>	<u>1,090,614</u>
<b>Less Expenses</b>		
Advertising	1,185	903
Audit fees	4,500	4,300
Bank charges	556	694
Bookkeeper	25,920	25,920
Brokerage	49,785	31,269
Catering and Venue Hire	8,808	5,384
Childcare	1,759	5,350
Conference Fee	3,278	2,340
Consultant Fees	86,146	107,266
Depreciation	-	4,500
Equipment Replacement	-	4,500
General Expenses	173	973
Insurance	18,000	16,977
Motor Vehicle Expenses	-	73
Postage, Printing & Stationery	5,796	2,640
Program Cost	51,044	38,085
Provision for Employee Entitlements	70,718	2,690
Provision for Relocation	14,132	16,331
Rent and Premises Expense	64,122	51,464
Repairs & Maintenance	13,289	13,208
Salaries	344,955	338,645
Staff Training and Amenities	8,003	6,855
Superannuation	32,707	31,401
Subscriptions	1,914	3,534
Telephone & Internet	5,188	6,318
Translation	221	4,438
Travel	2,838	3,102
Website Expenses	1,761	1,157
Unexpended grants carried forward	203,647	334,210
	<u>1,020,445</u>	<u>1,060,027</u>
<b>Surplus/Deficit for the year</b>	<u>(13,590)</u>	<u>30,587</u>



## **INDEPENDENT AUDIT REPORT TO THE MEMBERS**

### **Audit Report**

We have audited the financial report of The Multicultural Network Incorporated for the financial year ended 30 June 2018, as set out on pages 3 to 19.

In our opinion the accompanying financial report of the The Multicultural Network Incorporated, has been prepared in accordance with *Associations Incorporation Act 2009 (NSW)*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2018 and of its financial performance and cash flows for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 2009 (NSW)*.

### **Management Committee Responsibility**

The management committee of The Multicultural Network Incorporated are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 2009 (NSW)*. This responsibility includes establishing and maintaining internal controls relevant to 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 management committee is responsible for assessing the ability for The Multicultural Network Incorporated, 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 intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibility**

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 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.





## **INDEPENDENT AUDIT REPORT TO THE MEMBERS**

### **Auditor's Responsibility (cont.)**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of The Multicultural Network Incorporated.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability for The Multicultural Network Incorporated to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**ROSS FOWLER & CO  
CHARTERED ACCOUNTANTS**



**R.B. Fowler**

11 Tindale Street Penrith NSW 2750

Dated: 19<sup>th</sup> November 2018







Chartered Accountants and Business Advisors  
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**AUDITOR'S INDEPENDENCE DECLARATION PURSUANT TO THE ASSOCIATIONS INCORPORATIONS ACT 2009 (NSW) TO THE OFFICERS**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2018 there have been:

1. no contraventions of the auditor's independence requirements as set out in the *Associations Incorporation Act 2009 (NSW)* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

**ROSS FOWLER & CO  
CHARTERED ACCOUNTANTS**

**R.B. Fowler**

11 Tindale Street Penrith NSW 2750

Dated: 19<sup>th</sup> November 2018



Chartered Accountants



