

2013

1 July 2012 to 30 June 2013

**Annual
Financial
Report**

Micah Projects Inc

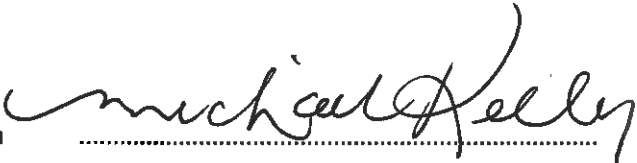
Micah Projects Inc
ABN 76409721192
Statement by Members


The committee have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The committee declare that:

1. The financial statements and notes present fairly the associations financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the committees' opinion there are reasonable grounds to believe that the 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 Committee:

Chairperson 
.....
Michael Kelly

Treasurer 
.....
Claudine Umashev

Brisbane

Date 23/11/2013

Micah Projects Inc
 ABN 76409721192
Statement of Financial Position
 As at 30 June 2013

| | Note | This Year | Last Year |
|--------------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 3,072,370.37 | 3,385,871.83 |
| Trade and other receivables | 3 | 233,658.96 | 346,022.84 |
| Current tax assets | 4 | 0.00 | 1,589.68 |
| Other current assets | 5 | 60,019.84 | 20,541.97 |
| TOTAL CURRENT ASSETS | | 3,366,049.17 | 3,754,026.32 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 15,225.11 | 69,813.17 |
| TOTAL NON-CURRENT ASSETS | | 15,225.11 | 69,813.17 |
| TOTAL ASSETS | | 3,381,274.28 | 3,823,839.49 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Bank overdrafts | 7 | 2,297.96 | 220.19 |
| Trade and other payables | 8 | 750,109.66 | 890,157.66 |
| Financial liabilities | 9 | 9,804.46 | 8,170.77 |
| Current tax liabilities | 4 | 3,989.50 | 0.00 |
| Provisions | 10 | 1,368,881.42 | 970,660.33 |
| Other current liabilities | 11 | 773,754.18 | 1,618,729.43 |
| TOTAL CURRENT LIABILITIES | | 2,908,837.18 | 3,487,938.38 |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | 9 | 16,089.78 | 25,831.45 |
| Provisions | 10 | 281,463.80 | 156,974.80 |
| TOTAL NON-CURRENT LIABILITIES | | 297,553.58 | 182,806.25 |
| TOTAL LIABILITIES | | 3,206,390.76 | 3,670,744.63 |
| NET ASSETS | | 174,883.52 | 153,094.86 |
| EQUITY | | | |
| Reserves | 12 | 49,827.66 | 49,827.66 |
| Retained earnings | 13 | 125,055.86 | 103,267.20 |
| TOTAL EQUITY | | 174,883.52 | 153,094.86 |

Micah Projects Inc
ABN 76409721192
Notes to the Financial Statements
For the year ended 30 June 2013

Note 1: Summary of Significant Accounting Policies

The committee have prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

a. Income Tax

The Association is exempt from tax under section 50-10 of the Income Tax Assessment Act 1997.

b. Property, Plant and Equipment

The depreciable amount of all non-current assets are depreciated over the useful lives of the assets to the organisation commencing for the time the asset is held ready for use.

c. Employee Benefits

Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

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 reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions are made by the association to accumulation superannuation funds.

d. Provisions

Provisions are recognised when the association 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2013

Note 2: Cash and Cash Equivalents

| | Note | This Year | Last Year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------------|----------------------------|
| CASH AND CASH EQUIVALENTS | | | |
| Cash at bank | | 3,064,487.84 | 3,337,938.85 |
| Petty Cash | | 3,851.63 | 2,592.54 |
| Cash Float | | 2,830.90 | 2,428.35 |
| Cash Account for Adjustment | | 0.00 | 41,712.09 |
| Deposits at call | | 1,200.00 | 1,200.00 |
| TOTAL CASH AND CASH EQUIVALENTS | | <u>3,072,370.37</u> | <u>3,385,871.83</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: | | | |
| Cash and cash equivalents | | 3,072,370.37 | 3,385,871.83 |
| Bank overdrafts | 7 | <u>(2,297.96)</u> | <u>(220.19)</u> |
| | | <u>3,070,072.41</u> | <u>3,385,651.64</u> |

Note 3: Trade and Other Receivables

| | This Year | Last Year |
|------------------------------|--------------------------|--------------------------|
| CURRENT | | |
| Sundry Debtors | 24,924.35 | 0.00 |
| Trade receivables | 140,363.06 | 277,131.66 |
| Other debtors | 1,042.44 | 1,562.07 |
| Other Current G'tee Boundary | <u>67,329.11</u> | <u>67,329.11</u> |
| TOTAL CURRENT | <u>233,658.96</u> | <u>346,022.84</u> |
| TOTAL | <u>233,658.96</u> | <u>346,022.84</u> |

Note 4: Tax

| | This Year | Last Year |
|--------------------------------------|------------------------|------------------------|
| CURRENT TAX ASSETS | | |
| GST receivable | <u>0.00</u> | <u>1,589.68</u> |
| TOTAL CURRENT TAX ASSETS | <u>0.00</u> | <u>1,589.68</u> |
| TOTAL TAX ASSETS | <u>0.00</u> | <u>1,589.68</u> |
| CURRENT TAX LIABILITIES | | |
| GST payable | <u>3,989.50</u> | <u>0.00</u> |
| TOTAL CURRENT TAX LIABILITIES | <u>3,989.50</u> | <u>0.00</u> |
| TOTAL TAX LIABILITIES | <u>3,989.50</u> | <u>0.00</u> |

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2013

Note 5: Other Assets

| | This Year | Last Year |
|-----------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Prepayments | 10,831.66 | 20,541.97 |
| Property Lease Bonds | 4,818.18 | 0.00 |
| Guarantee Townsville Office | 6,870.00 | 0.00 |
| Guarantee 32 Hope Street | 37,500.00 | 0.00 |
| TOTAL CURRENT | <u>60,019.84</u> | <u>20,541.97</u> |
| TOTAL | <u><u>60,019.84</u></u> | <u><u>20,541.97</u></u> |

Note 6: Property, Plant and Equipment

| | This Year | Last Year |
|--------------------------------------------|-------------------------|-------------------------|
| Improvements at cost | | |
| At cost | 5,258.00 | 5,258.00 |
| Less accumulated depreciation | <u>(5,076.92)</u> | <u>(5,031.65)</u> |
| TOTAL | 181.08 | 226.35 |
| Computer Equipment | | |
| At cost | 898,784.54 | 786,201.12 |
| Less accumulated depreciation | <u>(894,137.80)</u> | <u>(781,040.38)</u> |
| TOTAL | 4,646.74 | 5,160.74 |
| Motor vehicles | | |
| At cost | 89,897.01 | 89,997.01 |
| Less accumulated depreciation | <u>(89,897.01)</u> | <u>(37,350.98)</u> |
| TOTAL | 0.00 | 52,646.03 |
| Office furniture and equipment | | |
| At cost | 251,056.57 | 119,267.61 |
| Less accumulated depreciation | <u>(250,063.65)</u> | <u>(118,089.00)</u> |
| TOTAL | 992.92 | 1,178.61 |
| Furniture and fittings | | |
| At cost | 288,898.14 | 268,768.69 |
| Less accumulated depreciation | <u>(279,493.77)</u> | <u>(258,167.25)</u> |
| TOTAL | 9,404.37 | 10,601.44 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u><u>15,225.11</u></u> | <u><u>69,813.17</u></u> |

Note 7: Bank Overdrafts

| | This Year | Last Year |
|------------------------------|---------------|-------------|
| BANK OVERDRAFTS | | |
| Westpac Credit Card | 1,429.67 | 220.19 |
| Electronic Clearing Account | <u>868.29</u> | <u>0.00</u> |
| TOTAL BANK OVERDRAFTS | 2,297.96 | 220.19 |

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2013

Note 8: Trade and Other Payables

| | This Year | Last Year |
|-------------------------|--------------------------|--------------------------|
| CURRENT | | |
| Trade and Other Payable | 737,431.84 | 870,270.80 |
| Other creditors | <u>12,677.82</u> | <u>19,886.86</u> |
| TOTAL CURRENT | <u>750,109.66</u> | <u>890,157.66</u> |
| TOTAL | <u><u>750,109.66</u></u> | <u><u>890,157.66</u></u> |

Note 9: Financial Liabilities

| | This Year | Last Year |
|-----------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Macquarie Leasing - 432RJH | 11,392.72 | 10,850.19 |
| Less Future Finance Charge | <u>(1,588.26)</u> | <u>(2,679.42)</u> |
| TOTAL CURRENT | <u>9,804.46</u> | <u>8,170.77</u> |
| NON-CURRENT | | |
| Lease Liability | 16,089.78 | 27,482.47 |
| Less Future Finance Charges | <u>0.00</u> | <u>(1,651.02)</u> |
| TOTAL NON-CURRENT | <u>16,089.78</u> | <u>25,831.45</u> |
| TOTAL | <u><u>25,894.24</u></u> | <u><u>34,002.22</u></u> |

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2013

Note 10: Provisions

| | | |
|-----------------------------------|---------------------|---------------------|
| CURRENT | | |
| Additional provisions raised | 634,106.66 | 517,935.95 |
| Other Payroll Deductions | (189.61) | (3,467.93) |
| Provision for holiday pay | 472,638.89 | 356,035.44 |
| Provision for sick pay | 262,293.68 | 100,156.87 |
| Provision for Paid Parental Leave | 31.80 | 0.00 |
| TOTAL CURRENT | 1,368,881.42 | 970,660.33 |
| NON-CURRENT | | |
| Provision for long service leave | 281,463.80 | 156,974.80 |
| TOTAL NON-CURRENT | 281,463.80 | 156,974.80 |
| TOTAL PROVISIONS | 1,650,345.22 | 1,127,635.13 |

Provision for Long-Term Employee Benefits

A provision has been recognised by the entity for non-current employee benefits relating to long service leave for employees.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

The measurement and recognition criteria for employee benefits have been included in Note 1.

Note 11: Other Liabilities

| | This Year | Last Year |
|----------------------|-------------------|---------------------|
| CURRENT | | |
| General AP Accruals | 19,931.04 | 13,027.40 |
| Income in advance | 753,823.14 | 1,605,702.03 |
| TOTAL CURRENT | 773,754.18 | 1,618,729.43 |
| TOTAL | 773,754.18 | 1,618,729.43 |

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2013

Note 12: Reserves

| | This Year | Last Year |
|------------------------------|------------------|------------------|
| RESERVES | | |
| General Reserve | | |
| Opening balance at 01-Jul-12 | 49,827.66 | 49,827.66 |
| Transfers to reserve | 0.00 | 0.00 |
| Transfers from reserve | 0.00 | 0.00 |
| Closing balance at 30-Jun-13 | <u>49,827.66</u> | <u>49,827.66</u> |
| TOTAL RESERVES | <u>49,827.66</u> | <u>49,827.66</u> |

Note 13: Retained Earnings

| | This Year | Last Year |
|-------------------------------------------------------------------------------|-------------------|-------------------|
| Retained earnings (accumulated losses) at the beginning of the financial year | 103,267.20 | 91,965.87 |
| Net profit attributable to members of the entity | <u>21,788.66</u> | <u>11,301.33</u> |
| Retained earnings (accumulated losses) at the end of the financial year | <u>125,055.86</u> | <u>103,267.20</u> |

Micah Projects Inc
 ABN 76409721192
Statement of Income & Expenditure

For the year ended 30 June 2013

| | This Year | This Year | Last Year |
|---------------------------------------------|---------------|----------------------|----------------------|
| INCOME | | | |
| Grants (Cmlth) OP - Recurrent | 1,124,642.00 | | 252,165.69 |
| Grants (Cmlth) OP - Non-Recurrent | 189,398.35 | | 64,999.00 |
| Grants (State) OP - Recurrent | 11,418,151.50 | | 9,990,304.35 |
| Grants (State) OP - Non-Recurrent | 709,232.78 | | 1,418,071.09 |
| Grants (Local) OP - Non-Recurrent | 3,200.00 | | 2,500.00 |
| Grants (Local) OP - Recurrent | 0.00 | | 799.67 |
| Grants - Other | 264,160.04 | | 60,880.78 |
| Donations Received | 152,714.32 | | 143,197.39 |
| Donations (Public Collections) | 41,337.45 | | 41,583.97 |
| Non-tax deductible gifts | 1,200.00 | | 0.00 |
| Contributions (Members) | 485.00 | | 659.55 |
| Contributions (Public) | 252.50 | | 180.28 |
| Fees and Charges - Restricted | 400.00 | | 2,400.00 |
| Fees and Charges - Other | 2,000.00 | | 5,000.00 |
| Fees and Charge - Sponsorship and Licensing | 4,000.00 | | 28,227.28 |
| Ticket Sales | 32,687.00 | | 30,794.09 |
| Other/Sundry Income | 642,354.25 | | 692,047.85 |
| Unspent Funds Carried Forward | 114,680.51 | | (256,851.80) |
| Interest - Unrestricted | 117,577.53 | | 76,848.24 |
| Gain on Sale - Non Current Asset | 863.64 | | 8,537.32 |
| Insurance Rebate | 50,333.61 | | 0.00 |
| | | <u>14,869,670.48</u> | <u>12,562,344.75</u> |
| TOTAL INCOME | | 14,869,670.48 | 12,562,344.75 |
| OVERHEAD EXPENSES | | | |
| Accountancy | 36,875.31 | | 33,060.00 |
| Administration Costs | 43,914.07 | | 24,893.72 |
| Advertising | 4,150.73 | | 6,699.08 |
| Agency Temp Staff | 1,261.00 | | 0.00 |
| Audit Fees | 24,610.35 | | 19,641.98 |
| Asset Purchased < \$5000 | 12,941.46 | | 53,281.44 |
| Asset Purchased Depreciation | 179,812.98 | | 56,179.75 |
| Bad Debts | 6,307.24 | | 0.00 |
| Bank Charges | 7,657.28 | | 6,181.20 |
| Body Corporate Fees | 11,176.97 | | 3,280.79 |
| Client Support Services | 816,730.67 | | 730,329.83 |
| Client Support Consumables | 283,074.85 | | 112,111.61 |
| Computer Supplies | 166,078.25 | | 158,033.94 |
| Consultancy fees | 90,316.20 | | 91,802.05 |
| Consultancy fees Griffith Uni Project | 77,460.00 | | 0.00 |
| Consultancy fees Parenting Research Project | 44,600.00 | | 0.00 |
| Depreciation | 54,796.99 | | 70,853.87 |
| Donations | 1,300.00 | | 18,065.67 |
| Employment Support | 33,119.70 | | 54,638.71 |
| Fees and Charges | 28,008.05 | | 22,381.14 |

Micah Projects Inc
 ABN 76409721192

Statement of Income & Expenditure

For the year ended 30 June 2013

| | This Year | This Year | Last Year |
|---------------------------------------|--------------|------------------------|------------------------|
| OVERHEAD EXPENSES | | | |
| General expenses Fund Raising | 5,639.10 | | 0.00 |
| Hire - Plant and Equipment | 32,714.80 | | 38,000.41 |
| Health and Safety | 6,571.50 | | 8,805.61 |
| Insurance - General | 17,547.05 | | 12,040.75 |
| Insurance - Public Liability | 341.51 | | 6,302.57 |
| Insurance - Prof Indemnity | 14,317.44 | | 12,910.43 |
| Insurance - Volunteers | 1,292.36 | | 1,307.60 |
| Interest Paid | 2,763.20 | | 1,086.97 |
| Lease Payments | 314,191.42 | | 393,511.77 |
| Legal Expenses | 7,869.00 | | 5,806.80 |
| Medical Supplies | 17,900.03 | | 1,512.33 |
| Fuel and Oil | 112,095.81 | | 126,407.69 |
| Insurance | 42,662.37 | | 48,458.72 |
| Motor Vehicle Repairs and Maintenance | 39,086.47 | | 36,190.31 |
| Registration | 2,212.87 | | 3,253.05 |
| Management Fee Paid | 8,000.01 | | 0.00 |
| Meeting and Event Expenses | 222,521.31 | | 200,689.18 |
| Other | 65,823.01 | | 80,042.42 |
| Postage | 12,616.18 | | 15,727.42 |
| Printing and Stationery | 121,857.60 | | 145,607.01 |
| Publications & Info Resources | 22,553.13 | | 27,506.06 |
| Rates and Taxes | 3,932.69 | | 1,320.05 |
| Rent | 777,676.81 | | 533,678.21 |
| Repairs and Maintenance | 289,361.89 | | 183,751.39 |
| Salaries - Other | 351,571.87 | | 408,726.73 |
| Meal Entertainment | 0.00 | | 163.32 |
| Nursing Salaries | 297,579.43 | | 53,585.12 |
| Night reception wages 50% | 31,211.41 | | 0.00 |
| Security | 4,510.89 | | 6,633.85 |
| Staff Training and Development | 123,421.52 | | 94,104.33 |
| Staff Amenities | 32,031.32 | | 24,231.91 |
| Subscriptions and Memberships | 12,834.21 | | 15,329.65 |
| Sundry Expenses | 11,115.50 | | 24,562.27 |
| Superannuation | 685,800.17 | | 621,508.58 |
| Telephone | 233,111.98 | | 197,967.28 |
| Travel and Accommodation | 130,065.16 | | 71,744.58 |
| Utilities | 94,378.20 | | 80,517.43 |
| Volunteer Costs | 3,686.34 | | 1,099.77 |
| Wages | 8,617,218.62 | | 7,477,260.02 |
| Recruitment Expense | 1,620.00 | | 3,930.00 |
| Workcover | 151,985.54 | | 139,099.77 |
| TOTAL OVERHEAD EXPENSES | | (14,847,881.82) | (12,565,816.14) |
| OTHER INCOME | | | |
| Profit on Sale of Non-Current Assets | 0.00 | | 14,772.72 |
| TOTAL OTHER INCOME | | 0.00 | 14,772.72 |
| NET SURPLUS | | 21,788.66 | 11,301.33 |

Micah Projects Inc

Independent Auditor's Report To The Members

For the year ended 30 June 2013



INDEPENDENT AUDIT REPORT

Scope

We have audited the attached financial report, being a special purpose financial report of Micah Projects Inc for the year ended 30 June 2013. The Committee is responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporations Act (Qld) 1981 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Micah Projects Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the requirements of the Associations Incorporations Act (Qld) 1981. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Qualified Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Micah Projects Inc as at 30 June 2013 and the results of its operations and its cash flows for the year then ended.

K.T. Yarrow

Kevin Yarrow
Arrow Accountants
Brisbane

Tuesday, 1 October 2013

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