

2014

1 July 2013 to 30 June 2014

**Annual
Financial
Report**

Micah Projects Inc

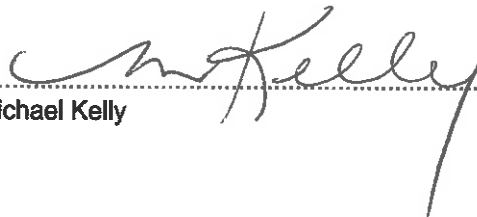
MicahProjects Inc
ABN76409721192
Statement by Members

The Committee has 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 described in Note 1 to the financial statements.

The members of the committee of the Association declare that:

1. The financial statements give a true and fair view of the financial position of the Association as at 30 June 2014 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. 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 the resolution of the members of the Committee.


.....
Michael Kelly


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Sue Bradnock

Dated: 13 October 2014

Micah Projects Inc
 ABN 76409721192
Statement of Financial Position
 As at 30 June 2014

	Note	This Year	Last Year
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	3,666,180.42	3,072,370.37
Trade and other receivables	3	140,985.76	233,658.96
Current tax assets	4	1,000.00	0.00
Other current assets	5	57,387.17	60,019.84
TOTAL CURRENT ASSETS		3,865,553.35	3,366,049.17
NON-CURRENT ASSETS			
Property, plant and equipment	6	25,011.18	15,225.11
TOTAL NON-CURRENT ASSETS		25,011.18	15,225.11
TOTAL ASSETS		3,890,564.53	3,381,274.28
LIABILITIES			
CURRENT LIABILITIES			
Bank overdrafts	7	0.00	2,297.96
Trade and other payables	8	534,806.02	750,109.66
Financial liabilities	9	0.00	9,804.46
Current tax liabilities	4	0.00	3,989.50
Provisions	10	1,588,744.96	1,368,881.42
Other current liabilities	11	1,249,578.79	773,754.18
TOTAL CURRENT LIABILITIES		3,373,129.77	2,908,837.18
NON-CURRENT LIABILITIES			
Financial liabilities	9	0.00	16,089.78
Provisions	10	240,103.00	281,463.80
TOTAL NON-CURRENT LIABILITIES		240,103.00	297,553.58
TOTAL LIABILITIES		3,613,232.77	3,206,390.76
NET ASSETS		277,331.76	174,883.52
EQUITY			
Reserves	12	49,827.66	49,827.66
Retained earnings	13	227,504.10	125,055.86
TOTAL EQUITY		277,331.76	174,883.52

Micah Projects Inc
ABN 76409721192
Notes to the Financial Statements
For the year ended 30 June 2014

Note 1: Summary of Significant Accounting Policies

The committee has 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 has determined are appropriate to meet the needs of members.

Such accounting policies are consistent with the previous reporting 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 exempted from tax under section 50-10 of the Income Tax Assessment Act 1997.

b. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. All assets, excluding freehold land and buildings, are depreciated over useful lives to the association.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c. **Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

d. **Provisions**

Provisions are recognised when the company 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 the end of the reporting period.

e. **Cash and Cash Equivalents**

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

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 ATO. 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 balance sheet are shown inclusive of GST.

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2014

Note 2: Cash and Cash Equivalents

	Note	This Year	Last Year
CASH AND CASH EQUIVALENTS			
Cash at bank		3,660,070.38	3,064,487.84
Petty Cash		5,010.04	3,851.63
Cash Float		1,100.00	2,830.90
Deposits at call		0.00	1,200.00
TOTAL CASH AND CASH EQUIVALENTS		<u>3,666,180.42</u>	<u>3,072,370.37</u>

Note 3: Trade and Other Receivables

	This Year	Last Year
CURRENT		
Sundry Debtors	262.65	24,924.35
Trade receivables	83,590.62	140,363.06
Less provision for doubtful debts	(10,460.63)	0.00
Other debtors	264.01	1,042.44
Other Current G'tee Boundary	67,329.11	67,329.11
TOTAL CURRENT	<u>140,985.76</u>	<u>233,658.96</u>
TOTAL	<u>140,985.76</u>	<u>233,658.96</u>

Note 4: Tax Balances

	This Year	Last Year
CURRENT TAX ASSETS		
GST receivable	1,000.00	0.00
TOTAL CURRENT TAX ASSETS	<u>1,000.00</u>	<u>0.00</u>
TOTAL TAX ASSETS	<u>1,000.00</u>	<u>0.00</u>
CURRENT TAX LIABILITIES		
GST payable	0.00	3,989.50
TOTAL CURRENT TAX LIABILITIES	<u>0.00</u>	<u>3,989.50</u>
TOTAL TAX LIABILITIES	<u>0.00</u>	<u>3,989.50</u>

Note 5: Other Assets

	This Year	Last Year
CURRENT		
Prepayments	7,848.99	10,831.66
Property Lease Bonds	5,168.18	4,818.18
Guarantee Townsville Office	6,870.00	6,870.00
Guarantee 32 Hope Street	37,500.00	37,500.00
TOTAL CURRENT	<u>57,387.17</u>	<u>60,019.84</u>
TOTAL	<u>57,387.17</u>	<u>60,019.84</u>

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2014

Note 6: Property, Plant and Equipment

	This Year	Last Year
Improvements at cost		
At cost	5,258.00	5,258.00
Less accumulated depreciation	(5,258.00)	(5,076.92)
TOTAL	0.00	181.08
Computer Equipment		
At cost	969,592.47	898,784.54
Less accumulated depreciation	(969,592.47)	(894,137.80)
TOTAL	0.00	4,646.74
Motor vehicles		
At cost	54,354.37	89,897.01
Less accumulated depreciation	(29,343.19)	(89,897.01)
TOTAL	25,011.18	0.00
Office furniture and equipment		
At cost	315,036.64	251,056.57
Less accumulated depreciation	(315,036.64)	(250,063.65)
TOTAL	0.00	992.92
Furniture and fittings		
At cost	294,053.14	288,898.14
Less accumulated depreciation	(294,053.14)	(279,493.77)
TOTAL	0.00	9,404.37
TOTAL PROPERTY, PLANT AND EQUIPMENT	25,011.18	15,225.11

Note 7: Bank Overdrafts

	This Year	Last Year
BANK OVERDRAFTS		
	0.00	617.28
Westpac Credit Card	0.00	1,429.67
Electronic Clearing Account	0.00	251.01
TOTAL BANK OVERDRAFTS	0.00	2,297.96

Note 8: Trade and Other Payables

	This Year	Last Year
CURRENT		
Trade and Other Payable	518,266.31	737,431.84
Other creditors	16,539.71	12,677.82
TOTAL CURRENT	534,806.02	750,109.66
TOTAL	534,806.02	750,109.66

The average credit period on trade and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables during this period.

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2014

Note 9: Financial Liabilities

	This Year	Last Year
CURRENT		
Macquarie Leasing - 432RJH	0.00	11,392.72
Less Future Finance Charge	0.00	(1,588.26)
TOTAL CURRENT	0.00	9,804.46
NON-CURRENT		
Lease Liability	0.00	16,089.78
TOTAL NON-CURRENT	0.00	16,089.78
TOTAL	0.00	25,894.24

Note 10: Provisions

PROVISIONS	Employee Benefits	Total
Opening balance at 01-Jul-13	1,650,534.83	1,650,534.83
Additional provisions	253,946.08	253,946.08
Amounts used	(75,632.95)	(75,632.95)
Closing balance at 30-Jun-14	<u>1,828,847.96</u>	<u>1,828,847.96</u>

ANALYSIS OF TOTAL PROVISIONS	This Year	Last Year
CURRENT		
Additional provisions raised	745,062.87	634,106.66
Other Payroll Deductions	0.00	(189.61)
Provision for holiday pay	615,628.76	472,638.89
Provision for sick pay	229,919.63	262,293.68
Provision for Paid Parental Leave	(1,866.30)	31.80
TOTAL CURRENT	1,588,744.96	1,368,881.42
NON-CURRENT		
Provision for long service leave	240,103.00	281,463.80
TOTAL NON-CURRENT	240,103.00	281,463.80
TOTAL PROVISIONS	1,828,847.96	1,650,345.22

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	26,847.16	19,931.04
Income in advance	1,222,731.63	753,823.14
TOTAL CURRENT	1,249,578.79	773,754.18
TOTAL	1,249,578.79	773,754.18

Micah Projects Inc
 ABN 76409721192
Notes to the Financial Statements
 For the year ended 30 June 2014

Note 12: Reserves

	Note	This Year	Last Year
RESERVES			
General Reserve			
Opening balance at 01-Jul-13		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-14		<u>49,827.66</u>	<u>49,827.66</u>
<p>The general reserve records funds set aside for future expansions of the entity.</p>			
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	125,055.86	103,267.20
Net profit attributable to members of the entity	102,448.24	21,788.66
Retained earnings (accumulated losses) at the end of the financial year	<u>227,504.10</u>	<u>125,055.86</u>

Micah Projects Inc
 ABN 76409721192
Statement of Income & Expenditure
 For the year ended 30 June 2014

	This Year	This Year	Last Year
INCOME			
Grants (Cmlth) OP - Recurrent	1,635,710.00		1,124,642.00
Grants (Cmlth) OP - Non-Recurrent	0.00		189,398.35
Grants (State) OP - Recurrent	12,042,678.09		11,418,151.50
Grants (State) OP - Non-Recurrent	743,567.22		709,232.78
Grants (Local) OP - Non-Recurrent	115,565.46		3,200.00
Grants - Other	93,084.65		264,160.04
Donations Received	229,589.70		152,714.32
Donations (Public Collections)	38,161.49		41,337.45
Non-tax deductible gifts	0.00		1,200.00
Contributions (Members)	360.00		485.00
Contributions (Public)	2,741.00		252.50
Fees and Charges - Restricted	0.00		400.00
Fees and Charges - Other	2,400.00		2,000.00
Fees and Charge - Sponsorship and Licensing	29,000.00		4,000.00
Ticket Sales	36,703.02		32,687.00
Other/Sundry Income	546,548.77		642,354.25
Unspent Funds Carried Forward	(283,908.49)		114,680.51
Interest - Unrestricted	103,181.44		117,577.53
Gain on Sale - Non Current Asset	(863.64)		863.64
Insurance Rebate	0.00		50,333.61
Sales of Goods	9,886.19		0.00
		15,344,404.90	14,869,670.48
TOTAL INCOME		15,344,404.90	14,869,670.48
OVERHEAD EXPENSES			
Accountancy	45,745.91		36,875.31
Administration Costs	26,932.55		43,914.07
Advertising	17,215.16		4,150.73
Agency Temp Staff	5,693.14		1,261.00
Audit Fees	28,970.01		24,610.35
Asset Purchased < \$5000	32,031.14		12,941.46
Asset Purchased Depreciation	55,418.58		179,812.98
Bad Debts	15,048.33		6,307.24
Bank Charges	7,447.05		7,657.28
Body Corporate Fees	0.00		11,176.97
Client Support Services	926,522.04		816,730.67
Client Support Consumables	207,664.91		283,074.85
Computer Supplies	173,179.26		166,078.25
Consultancy fees	253,846.44		90,316.20
Consultancy fees Concierge BCG	0.00		282,899.00
Consultancy fees Griffith Uni Project	0.00		77,460.00
Consultancy fees Parenting Research Project	0.00		44,600.00
Depreciation	75,659.69		54,796.99
Donations	4,050.00		1,300.00
Doubtful debts	10,460.63		0.00
Employment Support	52,248.17		33,119.70
Fees and Charges	6,756.57		28,008.05
Fringe benefits tax	26,128.63		0.00
General expenses Fund Raising	614.56		5,639.10
Hire - Plant and Equipment	48,434.65		32,714.80
Health and Safety	8,925.18		6,571.50
Insurance - General	13,018.83		17,547.05

Micah Projects Inc
 ABN 76409721192
Statement of Income & Expenditure
 For the year ended 30 June 2014

	This Year	This Year	Last Year
OVERHEAD EXPENSES			
Insurance - Public Liability	3,596.48		341.51
Insurance - Prof Indemnity	17,125.46		14,317.44
Insurance - Volunteers	1,300.04		1,292.36
Interest Paid	1,588.26		2,763.20
Lease Payments	349,108.16		314,191.42
Legal Expenses	19,722.22		7,869.00
Medical Supplies	9,962.85		17,900.03
Fuel and Oil	116,198.68		112,095.81
Insurance	47,196.60		42,662.37
Motor Vehicle Repairs and Maintenance	30,491.17		39,086.47
Motor Vehicle Registration	1,324.59		2,212.87
Management Fee Paid	9,452.59		8,000.01
Meeting and Event Expenses	216,822.21		222,521.31
Other	65,598.32		65,823.01
Postage	27,635.54		12,616.18
Printing and Stationery	129,140.10		121,857.60
Publications & Info Resources	23,871.64		22,553.13
Rates and Taxes	6,237.63		3,932.69
Rent	1,044,146.61		777,676.81
Repairs and Maintenance	174,992.90		289,361.89
Nursing Salaries	324,032.11		297,579.43
Night reception wages 50%	46,989.27		31,211.41
Wages Concierge	279,345.88		0.00
Security	6,296.03		4,510.89
Staff Training and Development	96,860.13		123,421.52
Staff Amenities	34,990.73		32,031.32
Subscriptions and Memberships	21,046.23		12,834.21
Sundry Expenses	19,891.68		11,115.50
Superannuation	749,845.43		685,800.17
Telephone	231,576.20		233,111.98
Travel and Accommodation	89,893.26		130,065.16
Utilities	107,734.44		94,378.20
Volunteer Costs	7,890.10		3,686.34
Wages	8,726,747.88		8,685,891.49
Recruitment Expense	610.99		1,620.00
Workcover	160,682.82		151,985.54
TOTAL OVERHEAD EXPENSES		<u>(15,241,956.66)</u>	<u>(14,847,881.82)</u>
NET SURPLUS		<u>102,448.24</u>	<u>21,788.66</u>

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 2014. 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 Collections Act (Qld) 1966 and 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.

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 2014 and the results of its operations and its cash flows for the year then ended.



Kevin Yarrow
Arrow Accountants
Brisbane

Friday, 19 September 2014

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