

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

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AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

| | Notes | 2015 \$ | 2014 \$ |
|---|-------|----------------|---------------|
| Revenue from ordinary activities | 2 | 1,799,069 | 1,583,899 |
| Employee benefits expense | | (1,345,277) | (1,171,546) |
| Depreciation and amortisation expenses | | (28,625) | (23,848) |
| Loss on write-off of assets | | - | (1,045) |
| Bad debts write-off | | - | (4,318) |
| Doubtful debts provision movement | | (1,000) | - |
| Rent | | (67,934) | (68,804) |
| Other expenses from ordinary activities | | (247,307) | (247,584) |
| Borrowing costs expense | | - | - |
| Surplus before income tax expense | | 108,926 | 66,754 |
| Income tax revenue (income tax expense) relating to ordinary activities | | - | - |
| Surplus after income tax expense | | 108,926 | 66,754 |

The accompanying notes form part of these financial statements.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

| | Notes | 2015 \$ | 2014 \$ |
|--------------------------------------|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash assets | 3 | 423,772 | 375,567 |
| Receivables | 4 | 101,354 | 77,090 |
| Other | 5 | 3,402 | 4,066 |
| TOTAL CURRENT ASSETS | | 528,528 | 456,723 |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 6 | 69,359 | 68,547 |
| Other | 5 | 3,208 | 3,208 |
| TOTAL NON-CURRENT ASSETS | | 72,567 | 71,755 |
| TOTAL ASSETS | | 601,095 | 528,478 |
| CURRENT LIABILITIES | | | |
| Payables | 7 | 96,096 | 132,300 |
| Provisions | 8 | 63,254 | 77,352 |
| Other | 9 | - | - |
| TOTAL CURRENT LIABILITIES | | 159,350 | 209,652 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 8 | 49,976 | 35,983 |
| TOTAL NON-CURRENT LIABILITIES | | 49,976 | 35,983 |
| TOTAL LIABILITIES | | 209,326 | 245,635 |
| NET ASSETS | | 391,769 | 282,843 |
| MEMBERS' FUNDS | | | |
| Retained surplus | 10 | 391,769 | 282,843 |
| TOTAL MEMBERS' FUNDS | | 391,769 | 282,843 |

The accompanying notes form part of these financial statements.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

| | Notes | 2015 \$ | 2014 \$ |
|---|--------|-------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from Government and Sponsors | | 1,250,680 | 1,172,521 |
| Other Income | | 691,845 | 546,894 |
| Payments to suppliers and employees | | (1,872,757) | (1,570,105) |
| Interest received | | 7,873 | 6,923 |
| Borrowing costs | | - | - |
| Net cash provided by/(used in) operating activities | 12 (b) | 77,641 | 156,233 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | (29,436) | (67,210) |
| Net cash used in investing activities | | (29,436) | (67,210) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | - | - |
| Net cash provided by/(used in) financing activities | | - | - |
| Net increase/(decrease) in cash held | | 48,205 | 89,023 |
| Cash at beginning of financial year | | 375,567 | 286,544 |
| Cash at end of financial year | 12 (a) | 423,772 | 375,567 |

The accompanying notes form part of these financial statements.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Vic). The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Property, Plant & Equipment (PPE)

Leasehold improvements, office furniture and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

At the end of each reporting period, the Committee reviews the carrying amount of its PPE assets (and other tangible and intangible assets) to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Depreciation

The depreciable amount of all PPE assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|------------------------------|-----------------------------------|
| Office furniture & equipment | 10-40% (Diminishing value method) |
| Leasehold Improvements | 25% (Diminishing value method) |

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

(b) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

(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 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 an employee superannuation fund and are charged as expenses when incurred.

(d) Revenue

Revenue from sale of goods is recognised upon the delivery of goods 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).

(e) Unexpended grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific grants where the project has not been completed.

(f) Cash and cash equivalent

For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at banks and on deposit

(g) 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 Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the Balance sheet are shown exclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(h) Income Tax

The association is exempt from income tax under provisions of the Income Tax Assessment Act.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

| | Notes | 2015 \$ | 2014 \$ |
|---|-------|------------------|------------------|
| NOTE 2: REVENUE | | | |
| Operating activities | | | |
| - interest | 2(a) | 7,873 | 6,923 |
| - operating grants | | 1,162,246 | 1,079,800 |
| - brokerage | | 493,170 | 377,756 |
| - CACPS & PAG fees | | 51,989 | 34,837 |
| - other income | | 83,791 | 84,583 |
| | | 1,799,069 | 1,583,899 |
| (a) Interest from: | | | |
| - other persons | | 7,873 | 6,923 |
| NOTE 3: CASH ASSETS | | | |
| CBA Business Cheque Account | | 35,110 | 74,598 |
| CBA Business Online Saver Account | | 153,999 | 300,482 |
| Bendigo Bank – Investment Deposit Account | | 230,315 | - |
| Bendigo Bank - Cash Management Account | | 1,042 | - |
| Petty Cash | | 3,306 | 487 |
| | | 423,772 | 375,567 |
| NOTE 4: RECEIVABLES | | | |
| CURRENT | | | |
| Trade debtors | | 104,354 | 79,090 |
| Less - Provision for Doubtful Debts | | (3,000) | (2,000) |
| Other Debtors | | - | - |
| | | 101,354 | 77,090 |
| NOTE 5: OTHER ASSETS | | | |
| CURRENT | | | |
| Prepaid Expenses | | 3,402 | 4,066 |
| NON CURRENT | | | |
| Rental Bond | | 3,208 | 3,208 |

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

| | Notes | 2015 \$ | 2014 \$ |
|---|-------|----------------|------------|
| NOTE 6: FIXED ASSETS | | | |
| (a) Office furniture and equipment | | | |
| At cost | | 106,400 | 93,417 |
| Less accumulated depreciation | | (78,842) | (64,185) |
| | | 27,558 | 29,232 |
| (b) Leasehold Improvements | | | |
| At cost | | 52,445 | 50,150 |
| Less accumulated depreciation | | (24,493) | (11,265) |
| | | 27,952 | 38,885 |
| (c) Website Development costs | | | |
| At cost | | 3,200 | 3,200 |
| Less Accumulated Depreciation | | (3,200) | (2,770) |
| | | - | 430 |
| (d) Software Licence costs | | | |
| At cost | | 14,159 | - |
| Less Accumulated Depreciation | | (310) | - |
| | | 13,849 | - |
| Total fixed assets | | 69,359 | 68,547 |
| NOTE 7: PAYABLES | | | |
| CURRENT | | | |
| Unsecured liabilities | | | |
| Trade creditors | | | 10,370 |
| Sundry creditors and accruals | | 33,697 | 64,182 |
| Amounts payable to Australian Taxation Office (GST & PAYGW) | | 62,399 | 57,748 |
| | | 96,096 | 132,300 |
| NOTE 8: PROVISIONS | | | |
| CURRENT | | | |
| Employee benefits - Annual Leave | 8(a) | 63,254 | 77,352 |
| NON-CURRENT | | | |
| Employee Benefits - Long Service Leave | 8(a) | 49,976 | 35,983 |
| (a) Aggregate employee benefits liability | | 113,230 | 113,335 |
| NOTE 9: OTHER LIABILITIES | | | |
| CURRENT | | | |
| Prepaid/Unexpended Grants | | - | - |
| | | - | - |

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 10: RETAINED SURPLUS

| | | |
|---|----------------|---------|
| Retained surplus at the beginning of the financial year | 282,843 | 216,089 |
| Net surplus (loss) for the year | 108,926 | 66,754 |
| Retained surplus at the end of the financial year | 391,769 | 282,843 |

NOTE 11: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

| | | |
|--|----------------|--------|
| Non-cancellable operating leases (leases of premises) contracted for but not capitalised in the financial statements | | |
| Payable – minimum lease payments | | |
| - not longer than one year | 73,007 | 43,502 |
| -between 12 months and 5 years | 49,107 | 48,125 |
| -greater than five years | - | - |
| Total lease commitments (GST inclusive) | 122,114 | 91,627 |

The commencement date of the lease for 4-8 Parker Street, Footscray is 1st October 2013 and the expiry date is 30 September 2016. There are two further options each for 3 years. Rent payable per month is \$3,278.92 (GST inclusive).

The commencement date of the lease for Level 1/128 Walker St, Dandenong is 1 September 2014 and the expiry date is 31 August 2017. Rent payable per month is \$2,805 (GST inclusive). There is one further option for a three year period at the end of the current lease.

NOTE 12: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

| | | |
|--------------|----------------|---------|
| Cash at bank | 423,772 | 375,567 |
| | 423,772 | 375,567 |

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 12: CASH FLOW INFORMATION

| | | |
|---|-----------------|----------|
| (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax | | |
| Surplus (Deficit) from ordinary activities after income tax | 108,926 | 66,754 |
| Non-cash flows in profit from ordinary activities | | |
| Depreciation | 28,625 | 23,848 |
| Net (gain) / loss on disposal of property, plant and equipment | - | 1,045 |
| Movement in doubtful debts provision | 1,000 | |
| Changes in assets and liabilities | | |
| (Increase)/decrease in receivables | (25,265) | (13,872) |
| (Increase)/decrease in other assets | 663 | (6,309) |
| Increase/(decrease) in unexpended grants | - | - |
| Increase/(decrease) in payables | (36,204) | 54,380 |
| Increase/(decrease) in provisions | (104) | 30,388 |
| Cash flows provided by (used in) operations | 77,641 | 156,234 |

NOTE 13: ASSOCIATION DETAILS

The principal place of business of the association is:
 Australian Croatian Community Services Incorporated
 4 -8 Parker Street, Footscray VIC 3011

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee have determined that the association is not a reporting entity.


The committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

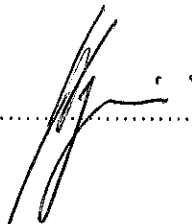
In the opinion of the committee the financial report:

1. Presents a true and fair view of the financial position of Australian Croatian Community Services Incorporated as at 30 June 2015 and its performance for the financial year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Australian Croatian Community Services Incorporated will be able to pay its debts as and when they fall due.

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

Dated this 25th day of September 2015


.....
MIRO GURBIC
(MEMBER)


.....
VLADIMIR VIZEC
(Chairperson)

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED**

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Australian Croatian Community Services Incorporated which comprises the statement of financial position as at 30 June 2015, the income and expenditure statement and the statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies 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 Incorporation Reform Act 2012 (Vic) and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

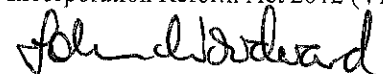
The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act (Victoria). I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion, the financial report of Australian Croatian Community Services Incorporated presents fairly, in all material respects the financial position of Australian Croatian Community Services Incorporated as at 30 June 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Reform Act 2012 (Vic).


John Woodward

Chartered Accountant

Level 5, 398 Lonsdale Street, Melbourne Vic 3000

Dated this 25th day of September 2015

**DISCLAIMER TO THE MEMBERS OF
AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED**

The additional financial data following is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial year ended 30 June 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, I do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Croatian Community Services Incorporated) in respect of such data, including any errors of omissions therein however caused.



John Woodward

Chartered Accountant

25th September 2015

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

| | 2015 \$ | 2014 \$ |
|--|------------------|------------------|
| INCOME | | |
| Grants received | | |
| CACPS Grants - Department of Health & Ageing | 569,716 | 586,136 |
| Education Grants | | |
| Southern Metropolitan | 16,950 | 9,813 |
| Central Western Metropolitan | 16,054 | 24,238 |
| Dept of Human Services (Vic) - Grants | 473,606 | 387,053 |
| Other Grants and Contributions | | |
| ACSIHAG | 78,797 | 69,000 |
| DSS-CVS | 7,123 | 3,560 |
| Total Grants received | 1,162,246 | 1,079,800 |
| Other Income | | |
| Activities Income | 47,166 | 68,203 |
| Brokerage | 493,170 | 366,755 |
| CACPS & PAG Client Fees | 51,990 | 34,837 |
| Donations | - | - |
| Interest Income | 7,873 | 6,923 |
| Re-imburement of Workcover | - | - |
| Miscellaneous Income | 36,624 | 27,381 |
| Total Other Income | 636,823 | 504,099 |
| TOTAL INCOME | 1,799,069 | 1,583,899 |
| LESS EXPENSES | | |
| Accounting and audit fees | 6,600 | 8,550 |
| Advertising & Promotion | 2,677 | 9,637 |
| Annual leave (movement in provision) | (14,098) | 14,093 |
| Bad Debt Write-off | - | 4,318 |
| Bank Charges | 70 | - |
| Computer expenses | 31,241 | 17,768 |
| Consulting services | - | 5,500 |
| Depreciation | 28,625 | 23,848 |
| Doubtful Debts Provision | 1,000 | - |
| Internet expenses | 3,324 | 1,644 |
| Legal & Filing expenses | 212 | 1,601 |
| Light, Power, rates and water | 10,420 | 8,547 |
| Loss on write-off of assets | - | 1,045 |
| Long Service Leave provision | 13,994 | 16,294 |
| Meeting and Function costs | 2,668 | 21,787 |
| Carry forward expenses | 86,733 | 134,632 |

These financial statements should be read in conjunction with the attached Disclaimer.

AUSTRALIAN CROATIAN COMMUNITY SERVICES INCORPORATED

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

| | 2015 | 2014 |
|-----------------------------------|------------------|------------------|
| | \$ | \$ |
| Carried forward expenses | 86,733 | 134,632 |
| Office Supplies | 21,378 | 19,276 |
| Penalties and interest | - | - |
| Postage | 1,386 | 1,719 |
| Program expenses | 59,598 | 39,882 |
| Publications | 9,341 | 4,090 |
| Rent | 67,934 | 68,804 |
| Repairs and maintenance | 31,447 | 26,750 |
| Salaries and wages | 1,208,031 | 1,017,839 |
| Staff amenities | 5,605 | 4,334 |
| Sundry expenses | 3,301 | 4,552 |
| Superannuation | 102,079 | 84,194 |
| Training and other employer costs | 15,411 | 12,386 |
| Telephone | 13,211 | 13,607 |
| Travel Allowance | | |
| Travel Allowance – Volunteers | 36,022 | 40,372 |
| Travel expenses | 3,707 | 4,114 |
| Workcover and Insurances | 24,959 | 40,594 |
| TOTAL EXPENSES | 1,690,143 | 1,517,145 |
| OPERATING SURPLUS/(LOSS) | 108,926 | 66,754 |

These financial statements should be read in conjunction with the attached Disclaimer.