

SERCUL

FINANCIAL REPORT

for the year ended 30 June 2020



2020

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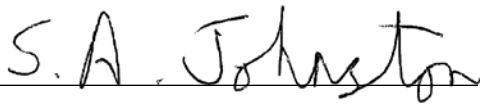
Statement by the Executive Committee

The Executive Committee has determined that South East Regional Centre for Urban Landcare Inc. (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 Notes 1 & 2 to the financial statements.

In the opinion of the Executive Committee, the financial statements and notes, as set out on pages 6 to 18 are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, Associations Incorporation Act 2015 and:

1. Comply with the Australian Accounting Standards applicable to South East Regional Centre for Urban Landcare Inc.
2. Gives a true and fair view of the financial position of the Association as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Notes 1 & 2; and
3. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due and payable.

This statement is made in accordance with the Australian Charities and Not-for-profits Commission Regulation 2013 and is signed for and on behalf of the Executive Committee by:



Stephen Johnston
Deputy Chairperson
Dated 21st September 2020



Patricia Hart
Chairperson
Dated 21st September 2020

Suite 4, 1st Floor
63 Shepperton Road
Victoria Park
Western Australia 6100

Telephone: (08) 9362 5855

htg@htgpartners.com.au
www.htgpartners.com.au

ABN: 78 607 011 001

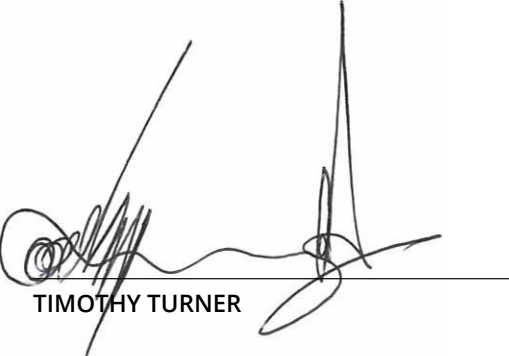
PO Box 199
Victoria Park
Western Australia 6979

AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF SOUTH EAST REGIONAL CENTRE
FOR URBAN LANDCARE INC

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- (i) no contraventions of the independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

HTG PARTNERS



TIMOTHY TURNER

Dated this 21st day of September 2020



PARTNERS

Timothy Turner
BBus (Acc), FCPA, CTA
Registered Company Auditor

Vick Gelevitis
BBus (Acc), FCPA, CTA

Darryl Rodrigues
BSc, BBus (Acc), CPA

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Standards Legislation

INDEPENDENT AUDITOR'S REPORT
**TO THE MEMBERS OF SOUTH EAST REGIONAL CENTRE
FOR URBAN LANDCARE INC**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report being a special purpose financial report of South East Regional Centre for Urban Landcare Inc (the 'Association'), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Association Committee.

In our opinion, the accompanying financial report of South East Regional Centre for Urban Landcare Inc has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Notes 1 & 2 and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Victoria Park
Western Australia 6100

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htg@htgpartners.com.au
www.htgpartners.com.au

ABN: 78 607 011 001

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTH EAST REGIONAL CENTRE FOR URBAN LANDCARE INC

Report on the Audit of the Financial Report

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Executive Committee for the Financial Report

The Executive Committee is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Notes 1 & 2 to the financial report is appropriate to meet the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012, Associations Incorporation Act 2015, the Rules of Association and is appropriate to meet the needs of the members. The Committee of Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of a 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 Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Executive Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

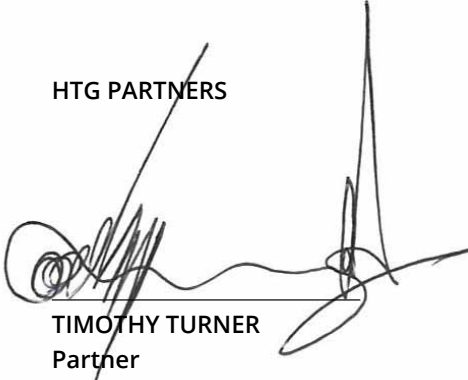
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH EAST REGIONAL CENTRE
FOR URBAN LANDCARE INC

Auditor's Responsibilities for the Audit of the Financial Report *(continued)*

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

HTG PARTNERS



TIMOTHY TURNER
Partner

Signed at Perth on the 21st day of September 2020

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue	3	2,608,913	1,974,543
Other income	3	153,553	83,086
Direct costs	4	(1,783,384)	(1,450,798)
Administration and general expenses	5	(642,118)	(543,297)
Property and communications expenses		(17,009)	(20,203)
Governance expenses		(17,163)	(18,634)
Interest expenses		-	-
Loss on sale of fixed asset		-	-
Other expenses		(2,391)	(2,986)
Net surplus/(loss) for the year before income tax		300,401	21,711
Income Tax Expense	2(d)	0	0
Net surplus /(loss) for the year		300,401	21,711
Other comprehensive income		0	0
Total profit or loss and other comprehensive income for the year		300,401	21,711

The accompanying notes form part of these financial statements

Statement of Financial Position

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,980,430	1,906,851
Trade receivables	7	74,701	202,708
Other assets	8	170,907	84,883
TOTAL CURRENT ASSETS		2,226,038	2,194,442
NON-CURRENT ASSETS			
Property, Plant and equipment	9	171,055	139,205
TOTAL NON-CURRENT ASSETS		171,055	139,205
TOTAL ASSETS		2,397,093	2,333,647
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	245,073	267,304
Provisions	11	161,704	157,690
Other liabilities	12	974,653	1,185,222
TOTAL CURRENT LIABILITIES		1,381,430	1,610,216
NON - CURRENT LIABILITIES			
Provisions	11	3,992	12,161
TOTAL NON-CURRENT LIABILITIES		3,992	12,161
TOTAL LIABILITIES		1,385,422	1,622,377
NET ASSETS		1,011,671	711,270
EQUITY			
Retained earnings		1,011,671	711,270
TOTAL EQUITY		1,011,671	711,270

The accompanying notes form part of these financial statements

Statement of Changes in Equity
for the year ended 30 June 2020

2020

	Retained earnings	Total
	\$	\$
Balance at 1 July 2019	711,270	711,270
Surplus for the year	300,401	300,401
Balance at 30 June 2020	1,011,671	1,011,671

2019

	Retained earnings	Total
	\$	\$
Balance at 1 July 2018	689,559	689,559
Surplus for the year	21,711	21,711
Balance at 30 June 2019	711,270	711,270

The accompanying notes form part of these financial statements

Statement of Cash Flows
for the year ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers, government and grants		2,526,774	2,443,547
Payments to suppliers and employees		(2,429,903)	(1,843,494)
Other receipts		19,239	19,488
Interest received		30,607	29,557
Net cash provided by / (used in) operating activities	13(a)	146,717	649,098
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(83,138)	(131,738)
Proceeds from disposal of property, plant and equipment		10,000	54,931
Net cash (used in) / provided by investing activities		(73,138)	(76,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase / (decrease) in cash and cash equivalents held		73,579	572,291
Cash and cash equivalents at beginning of year		1,906,851	1,334,560
Cash and cash equivalents at end of financial year	6	1,980,430	1,906,851

The accompanying notes form part of these financial statements

Notes to the Financial Statements *For the Year Ended 30 June 2020*

1. Basis of Preparation

The financial statements cover South East Regional Centre for Urban Landcare Inc (the 'Association') as an individual entity. South East Regional Centre for Urban Landcare Inc is an association incorporated in Western Australia and operating pursuant to the Associations Incorporation Act 2015.

The Executive Committee has prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Executive Committee on the date their report on Page 1 was signed.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to large entities under the Australian Charities and Not-for-Profits Commission Act 2012. The Association has complied with all the recognition and measurement of Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements. The amounts presented in the financial statements have been rounded to the nearest dollar.

2. Summary of Significant Accounting Policies

(a) 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 three months or less.

(b) Plant and equipment (PE)

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment loss.

The depreciable amount of all PE is depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

The depreciation rates used are as follows:

- Computers: 40%
- Motor Vehicles: 25%
- Office Equipment: 10% - 40%
- Plant and Equipment: 20% - 40%
- Leasehold Improvement: over the remaining life of the lease

Notes to the Financial Statements For the Year Ended 30 June 2020

(c) Financial Liabilities – including trade and other payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(d) Income Tax

No provision for income tax has been recognised as the Association is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 as amended.

(e) Employee benefits

Short term employee benefits are benefits that are expected to be settled wholly within 12 months after the employees render the related service and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. Long term employee benefits are benefits not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the expected future payments to be made to employees based up the current rates of remuneration. The Association presents employee obligations as current when there is no right to defer settlement for 12 months irrespective of when settlement is expected.

Contributions are made to employee nominated superannuation funds and are charged as expenses when incurred. The Association has no other legal obligations to provide other benefits to employees on retirement.

(f) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(g) Trade and other receivables

Trade receivables are initially recognised at the transaction price. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association assesses impairment of trade receivables at the amount equal to the expected lifetime credit losses based upon historical experience, external indicators and forward looking information.

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

(h) Revenue and other income

In the current year

Revenue is recognised using a five steps process:

- identify the contract;
- identify the performance obligations;
- determine the transaction price;
- allocate the transaction price to the performance obligations; and
- recognise revenue when (or as) the performance obligations are satisfied.

In prior years

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured by reference to the fair value of consideration received or receivable for goods supplied and services provided, excluding taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Association's different activities have been met. Details of the activity-specific recognition criteria are described below.

Service Provision

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Government Grants

A number of the Association's programs are supported by grants received from government.

The conditions are attached to a grant which must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Association obtains control of the funds, economic benefits are probable, and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Donations and Bequests

Donations collected are recognised as revenue when the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received.

Interest Income

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

Notes to the Financial Statements For the Year Ended 30 June 2020

(i) Goods and services tax (GST)

Revenue, 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).

Trade receivables and trade payables in the statement of financial position are stated inclusive of the amount of GST receivable or payable. Other current assets and other current liabilities are stated exclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) New standards adopted as at 1 July 2019

- AASB 15 Revenue
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2018-8 Amendments to Australian Accounting Standards -Right-of-Use Assets of Not-for-Profit Entities
- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with recognition and measurement requirements
- AASB 2019-6 Amendments to Australian Accounting Standards – Research Grants Not-for-Profit Entities
- AASB 2019-8 Amendments to Australian Accounting Standards – Class of Right of – Use Assets arising under Concessionary Leases

(k) Comparative figures

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

(l) New accounting standards for application in future periods

The Association has not applied the revised Australian Accounting Standards, interpretations and amendments that have been issued by are not yet effective.

Notes to the Financial Statements *For the Year Ended 30 June 2020*

2. Summary of Significant Accounting Policies (continued)

(m) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain equipment.

Long service leave

The liability for long service leave is recognised and measured at the estimated cash flows to be made in respect of all employees at the reporting date. In determining the estimated cashflows, we have used current pay rates.

Notes to the Financial Statements
For the Year Ended 30 June 2020

3. Revenue and Other Income

	2020	2019
	\$	\$
Revenue from contracts with customers		
Grants	606,652	412,067
Partners	924,007	849,101
Services delivery landcare	1,008,822	685,169
Services delivery others	69,432	28,205
Total Revenue	2,608,913	1,974,542
Other income from ordinary activities		
Donations	0	0
Interest revenue	30,607	29,557
Gain on sale or disposal PPE	10,000	34,041
Correction of income	0	(3,112)
Other income	12,946	22,601
Non-operating grant – COVID-19 cashflow boost (AASB 1058 Revenue)	100,000	0
Total other income	153,553	83,087

4. Direct Costs

Landcare P/G delivery	666,616	460,517
Landcare services delivery	526,612	421,303
Vehicle Operations	54,771	58,566
Education delivery	195,922	202,713
Monitoring & research delivery	145,437	101,642
Community capacity delivery	194,026	206,057
Total Direct Costs	1,783,384	1,450,798

5. Surplus / (deficit) includes the following specific expenses

Depreciation	51,289	23,040
	51,289	23,040

6. Cash and Cash Equivalents

Cash on hand	232	269
Cash at bank	478,063	577,635
Short-term investments	1,502,135	1,328,947
	1,980,430	1,906,851

Notes to the Financial Statements
For the Year Ended 30 June 2020

	2020 \$	2019 \$
7. Trade Receivables		
CURRENT		
Trade receivables	74,701	202,708
Less provision for impairment	0	0
	74,701	202,708
8. Other Assets		
CURRENT		
Accrued income	93,707	424
Cost to fulfil a contract	31,064	35,645
Prepaid insurance/rego expenses	46,080	48,514
Deferred expense - WWAG	56	300
	170,907	84,883
9. Property, Plant and equipment		
Computer Equipment		
At cost	7,520	7,520
Accumulated depreciation	(7,520)	(7,520)
Total computer equipment	0	0
Office equipment		
At cost	7,500	7,500
Accumulated depreciation	(7,500)	(7,500)
Total office equipment	0	0
Plant and equipment		
At cost	96,712	77,537
Accumulated depreciation	(62,921)	(59,010)
Total plant and equipment	33,791	18,527
Motor vehicles		
At cost	210,271	168,924
Accumulated depreciation	(116,004)	(105,376)
Total motor vehicles	94,267	63,548
Leasehold Improvement		
At cost	68,671	59,690
Accumulated depreciation	(25,674)	(2,560)
Total leasehold improvement	42,997	57,130
	171,055	139,205

Notes to the Financial Statements
For the Year Ended 30 June 2020

	2020 \$	2019 \$
10. Trade and Other Payables		
CURRENT		
Trade payables	83,571	7,348
Accrued expenses	21,858	75,333
Credit cards	2,738	4,473
PAYG withholdings payable	24,124	20,228
Superannuation payable	34,486	31,853
Parental leave funds	2,370	0
GST/BAS payable	37,534	88,847
Accrued wages	38,392	39,222
	245,073	267,304
11. Provisions		
CURRENT		
Provision for annual leave	79,823	86,556
Provision for personal leave	10,347	7,000
Provision for LSL	71,534	64,134
	161,704	157,690
NON - CURRENT		
Provision for LSL	3,992	12,161
	3,992	12,161
12. Other Liabilities		
CURRENT		
Contract liabilities unearned revenue	27,396	28,532
Contract liabilities unearned grants received	945,758	1,155,345
Donation liability (Public Environment Fund)	1,499	1,345
	974,653	1,185,222

Notes to the Financial Statements

For the Year Ended 30 June 2020

13. Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2020	2019
	\$	\$
Surplus / (deficit) for the year		
Cash flows/ (deficit) excluded from surplus attributable to operating activities	300,401	21,710
Non-cash flows in surplus:		
- depreciation	51,289	23,040
- (profit) / loss on sale of fixed assets	(10,000)	(34,041)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	128,007	53,189
- (increase)/decrease in other assets	(86,024)	16,915
- increase/(decrease) in trade and other payables	(22,232)	130,836
- increase/(decrease) in provision for employee benefits	(4,155)	21,210
- increase/(decrease) in other liabilities	(210,569)	416,239
Cashflows from operations	146,717	649,098

(b) Non-cash financing and investing activities

Donations in-kind	-	-
	-	-

14. Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

15. Association Details

The principal place of business is 1 Horley Road, Beckenham, WA 6107.

16. Economic dependence

The Association is dependent on various government agencies for the majority of its revenue used to operate the business. At the date of this report the Executive Committee has no reason to believe the agencies will not continue to support the Association.



South East Regional Centre for Urban Landcare

1 Horley Road, Beckenham WA 6107
Ph: (08) 9458 5664
www.sercul.org.au

