mambourin

2017 - 2018

Financial report

Directors' report

The Mambourin Board of Directors present this report on the entity for the financial year ended 30 June 2018.

Principal activities

The organisation aims to:

1. Manage and maintain services for the education, employment, training and support of people with disabilities.
2. Co-operate with government in providing appropriate facilities and services for people with disabilities.
3. Provide community based resources for people with disabilities and their families, guardians or caregivers.
4. Maximise the potential skill of people with disabilities to live independently in the community.
5. Assist people with disabilities and their parents and guardians who are in necessitous circumstances.
6. Educate the general public to a greater understanding of the rights and needs of people with disabilities.

Performance measures

Mambourin has a strategic plan and management reports regularly via the CEO on progress. We also report financials every month to the Board and produce an annual report showing our performance to our community.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Cory Becker	Chair until 30 April 2018
Barbara MacKinnon	
Emanuel Tumino	
Claire Thomas	
Paul Larcher	1st Deputy Chair until 30 April 2018; Chair from 30 April 2018
Jennifer Webster	
Vittoria Chiarella	
Afrroz Hudli	2nd Deputy Chair from 27 November 2017; Deputy Chair from 30 April 2018
Duncan Honore-Morris	Resigned from the Board on 14 May 2018
David Markus	
Greg D'Arville	Deceased 22 October 2017
Leslie Chitts	Elected to the Board 29 October 2017
Fiona Schutt	Elected to the Board 29 October 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors

Paul Larcher, Chair

Paul is a chartered engineer with over 25 years' experience in managing the operation and delivery of multi-million-dollar infrastructure projects. He has skills in strategic planning, risk management, business improvement and commercial performance.

Afrroz Hudli, Deputy Chair

Afrroz brings a unique blend of thought leadership on leading edge technologies, management consulting and risk management serving Fortune 500 companies, small to medium enterprises and start-ups. Her key focus is leveraging her experience and knowledge to grow innovation and financial performance.

Cory Becker

Cory is a small business owner. He holds a Master of Business Administration and has a wealth of experience in the not-for-profit, business and government sectors. His key focus is on innovation and progressive transformation, including risk management, sustainability and strategy.

Vittoria Chiarella

Vittoria is an experienced and driven business development consultant with an absolute client focus and a commercial approach to optimising business development and marketing to drive revenue growth. She has held senior positions in both the corporate and professional services sectors, with a focus on business development and leadership.

Barbara MacKinnon

Barbara was the director of a cleaning company, with customers including Avalon Airport, for 31 years before retirement. In addition to business management, she brings knowledge, wisdom and lived experience of being a parent of two adult children with disabilities.

David Markus

David is an engineer with 25 years' IT experience and has been running his own IT services business with his wife since 2002. His focus is on managing IT systems and avoiding risks related to privacy and cyber threats.

Claire Thomas

Claire is an economist with over 40 years' experience in public policy and public sector management. This background gives her a good line of sight to the policy and government challenges currently facing disability service providers.

Emanuel Tumino

Emanuel has practiced law since 1977, and has been a partner of a legal firm since 1989 dealing with litigation in complex commercial matters. He has extensive experience in strategic decision making and corporate governance.

Jennifer Webster

Jennifer Webster was a deputy principal and campus leader prior to her retirement. She has expertise in project management, strategic and innovative thinking, case management and community engagement. She has specialist skills in working with students with disabilities and their families.

Fiona Schutt

Fiona is CPA and MBA qualified with 15 years' experience across large corporate companies as well as not-for-profit organisations. Her focus is on how finance can be connected and embedded in an organisation to act as an enabler to achieve key organisational outcomes and strategies.

Les Chitts

Les is an experienced board member in the disability sector. As the parent of a man living with a disability, Les has day-to-day experience of the issues that people living with a disability and their families face.

Company Secretary

Rohan Braddy Chief Executive Officer Mambourin Enterprises Ltd, has held the role of Company Secretary since October 2014.

Members of the Board and meeting attendance 2017-2018

Director	Total attended	Eligible to attend
Paul Larcher	10	10
Afrroz Hudli	10	10
Cory Becker	6	10
Vittoria Chiarella	7	10
Barbara MacKinnon	10	10
David Markus	6	10
Claire Thomas	8	10
Emanuel Tumino	10	10
Jennifer Webster	9	10
Fiona Schutt	6	7
Les Chitts	6	7
Greg D'Arville	1	3
Duncan Honore-Morris	3	7

After balance date events

There are no after balance date events.

Future developments

There are no significant new developments foreseen in the near future.

Environmental issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of $10 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is $520, based on 52 current ordinary members.

Auditors independence declaration

A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 6.

This report is made in accordance with a resolution of directors. On behalf of the directors

Paul Larcher
Chair
Dated on 08 October 2018

Auditor Independence Declaration to the Directors of Mambourin Enterprises Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

1) The auditor independence requirements as set out in Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

2) Any applicable code of professional conduct in relation to the audit.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

Gordon Robertson
Partner

Melbourne, Victoria
8 October 2018

Crowe Horwath Melbourne is a member of Crowe Horwath International, a Swiss verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for the acts or omissions of financial services licensees.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Financial statements

Contents

General Information

The financial statements cover Mambourin Enterprises Limited as an individual entity.
The financial statements are presented in Australian dollars, which is Mambourin Enterprises Limited's functional and presentation currency.

Mambourin Enterprises Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2018. The directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Note	2018	30 June 2017 (restated)
		$	$
Revenue	3	12,682,493	12,210,923
Expenses			
Administration	4	(1,088,348)	(1,231,675)
Client program costs		(359,575)	(294,668)
Client transport costs		(565,081)	(411,384)
Employee benefits expense		(9,230,494)	(9,066,515)
Depreciation expense		(359,371)	(365,725)
Finance costs		(21,082)	(47,606)
Rental and lease expenses		(240,370)	(239,515)
Impairment expense		-	(111,007)
Other expenses		(86,147)	(93,256)
Surplus before income tax expense		**732,025**	**349,572**
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Mambourin Enterprises Limited		**732,025**	**349,572**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Mambourin Enterprises Limited		**732,025**	**349,572**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2018

	Note	2018	2017 (Restated)	1 July 2016 (Restated)
Assets				
Current assets		**$**	**$**	**$**
Cash and cash equivalents	5	2,841,882	3,829,170	2,507,437
Trade and other receivables	6	322,742	402,715	100,112
Other assets	7	128,185	65,882	30,453
Total current assets		**3,292,809**	**4,297,767**	**2,638,002**
Non-current assets				
Property, plant and equipment	8 (a)	5,187,967	5,401,245	6,159,067
Total non-current assets		5,187,967	5,401,245	6,159,067
Total assets		**8,480,776**	**9,699,012**	**8,797,069**
Liabilities				
Current liabilities				
Trade and other payables	9	740,103	934,963	551,900
Employee benefits	10	1,191,369	1,412,475	1,262,608
Backpay provision	20	140,514	237,148	78,051
Borrowings	11	2,819	16,431	37,880
Total current liabilities		**2,074,805**	**2,601,017**	**1,930,439**
Non-current liabilities				
Employee benefits	12	85,142	71,003	44,002
Borrowings	11	350,931	1,789,121	1,934,329
Total non-current liabilities		**436,073**	**1,860,124**	**1,978,331**
Total liabilities		**2,510,878**	**4,461,141**	**3,908,770**
Net assets		**5,969,898**	**5,237,871**	**4,888,299**
Equity				
Retained surpluses	13	5,969,898	5,237,871	4,888,299
Total equity		**5,969,898**	**5,237,871**	**4,888,299**

Refer to note 21 for details of the restated statement of financial position.

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2018

	Retained surpluses	Total equity
	$	$
Balance at 1 July 2016	**5,125,447**	**5,125,447**
Prior period adjustment	(237,144)	(237,144)
Restated balance 1 July 2016	4,888,301	4,888,301
Surplus for the year	349,572	349,572
Total comprehensive income for the year	349,572	349,572
Balance at 30 June 2017	**5,237,873**	**5,237,873**

	Retained surpluses	Total equity
	$	$
Balance at 1 July 2017	**5,237,873**	**5,237,873**
Surplus for the year	732,025	732,025
Total comprehensive income for the year	732,025	732,025
Balance at 30 June 2018	**5,969,898**	**5,969,898**

Refer to note 21 for details of the restated statement of financial position.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2018

	Note	2018	2017
		$	$
Cash flows from operating activities			
Receipts from customers and government departments (inclusive of GST)		13,870,843	12,902,141
Payments to suppliers and employees (inclusive of GST)		(12,726,828)	(12,158,418)
Interest received		18,056	12,980
Interest paid		(21,082)	(47,606)
Net cash from operating activities	**19**	**1,140,989**	**709,097**
Cash flows from investing activities			
Payments for property, plant and equipment		(202,120)	(625,455)
Proceeds from sale of property, plant and equipment		51,575	1,404,748
Net cash from/(used in) investing activities		**(150,545)**	**779,293**
Cash flows from financing activities			
Repayments of borrowings		(1,451,802)	(166,657)
Net cash from/(used in) financing activities		**(1,451,802)**	**(166,657)**
Net (decrease)/increase in cash and cash equivalents		(987,288)	1,321,733
Cash and cash equivalents at the beginning of the financial year		3,829,170	2,507,437
Cash and cash equivalents at the end of the financial year	**5**	**2,841,882**	**3,829,170**

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 1057 Application of Australian Accounting Standards

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Sales, fees and charges and fundraising are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Economic dependence

Mambourin is dependent on the Victorian Department of Health and Human Services for the majority of its revenue used to operate the business, and increasingly, the national disability insurance agency. At the date of this report the Board has no reason to believe that the Department of Health and Human Services will not continue to support Mambourin Enterprises Limited, however, the Board recognises the demand driven nature of NDIS funding and the risks and opportunities that represents.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, with an original maturity of less than three months.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line and diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Freehold improvements	2-10 years
Plant and equipment	3-7 years
Motor vehicles	4-7 years
Office equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for an impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are 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 the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the company assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the company's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. The difference between the acquisition-date fair value of assets acquired and liabilities assumed and the fair value of the consideration transferred is recognised as goodwill.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Note 3. Revenue

Sales revenue	2018 $	2017 $
Sales	971,480	667,050
Fundraising	13,733	35,720
Fees and Charges	1,155,780	1,079,453
	2,140,993	**1,782,223**
Other revenue		
Donations	8,934	11,716
Grants	10,416,084	9,833,590
Interest	18,056	12,980
Gain on sale of assets	6,353	361,404
Other revenue	92,073	209,010
	10,541,500	**10,428,700**
Total Revenue	**12,682,493**	**12,210,923**

Note 4. Administration Expenses

	2018 $	2017 $
Contracts/Consultants	(117,317)	(306,800)
Energy	(117,909)	(113,196)
External Services	(831,281)	(790,599)
Insurance	(21,841)	(21,080)
Total expenses	**(1,088,348)**	**(1,231,675)**

Note 5. Cash and cash equivalents

	2018 $	2017 $
Cash on hand (petty cash accounts and cash tins)	22,147	41,913
Cash at bank (cheque and special purpose accounts)	46,022	50,225
Cash on deposit (business online saver)	2,773,713	2,437,032
Mortgage offset facility	-	1,300,000
	2,841,882	**3,829,170**

Note 6. Trade and other receivables

	2018 $	2017 $
Trade receivables	336,533	416,506
Less provision for doubtful debts	(13,791)	(13,791)
	322,742	**402,715**

Note 7. Other assets

	2018	2017
	$	$
Prepayments	68,220	19,617
Security deposits	59,965	46,265
	128,185	**65,882**

Note 8a. Property, plant and equipment

	2018	2017
	$	$
Land – at cost	1,342,000	1,342,000
	1,342,000	**1,342,000**
Buildings and freehold improvements – at cost	3,854,646	3,847,455
Less: Accumulated depreciation	(884,437)	(765,543)
	2,970,209	**3,081,912**
Plant and equipment – at cost	1,994,306	1,868,437
Less: Accumulated depreciation	(1,481,526)	(1,345,527)
	512,780	**522,910**
Motor vehicles – at cost	1,492,012	1,556,912
Less: Accumulated depreciation	(1,129,034)	(1,102,489)
	362,978	**454,423**
	5,187,967	**5,401,245**

Note 8b.Intangibles

	2018	2017
	$	$
Goodwill	-	111,007
Less: impairment	-	(111,007)
	-	-
Plus: property, plant and equipment		5,401,245
Total Non-current assets	**5,187,967**	**5,401,245**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Buildings and Freehold Improvements	Plant and Equipment	Motor Vehicles	Software Intangibles	Goodwill	Total
	$	$	$	$	$	$	$
Balance at 30 June 2016	**1,469,000**	**3,722,369**	**507,747**	**459,951**	**-**	**-**	**6,159,067**
Additions	-	396,752	162,996	65,707	-	111,007	736,462
Additions from business combination	-	-	7,650	20,300	-	-	27,950
Asset Disposals	(127,000)	(912,469)	(4,258)	(1,775)	-	-	(1,045,502)
Asset Impairment	-	-	-	-	-	(111,007)	(111,007)
Depreciation expense	-	(124,740)	(151,225)	(89,760)	-	-	(365,725)
Balance at 30 June 2017	**1,342,000**	**3,081,912**	**522,910**	**454,423**	**-**	**-**	**5,401,245**
Additions	-	7,192	156,935	37,994	-	-	201,121
Additions from business combination	-	-	-	-	-	-	-
Asset Disposals	-	-	(31,065)	(102,894)	-	-	(133,959)
Asset Impairment	-	-	-	-	-	-	-
Depreciation expense		(118,895)	(136,000)	(26,545)	-	-	(281,440)
Balance at 30 June 2018	**1,342,000**	**2,970,209**	**512,780**	**362,978**			**5,187,967**

Note 9. Trade and other payables

	2018	2017
	$	$
Trade and other payables	179,360	157,849
Revenue in advance	76,262	209,284
Sundry payables and accrued expenses	432,911	497,956
GST payable	51,570	69,874
	740,103	**934,963**

Note 10. Current Liabilities - employee benefits

	2018	2017
	$	$
Backpay Accrual	-	288,784
Annual Leave	637,877	555,823
Long Service Leave	553,492	567,868
	1,191,369	1,412,475

Note 11. Borrowings

	2018	2017
	$	$
Current Borrowings	2,819	16,431
Finance Leases	2,819	16,431

	2018	2017
	$	$
Non-current Borrowings		
Finance Leases	-	3,121
Secured Mortgage	350,931	1,786,000
	350,931	1,789,121

Note 12. Non-current liabilities - employee benefits

	2018	2017
	$	$
Long Service Leave	85,142	71,003

Note 13. Equity – retained surpluses

	2018	2017
	$	$ (restated)
Retained surpluses at the beginning of the financial year	5,237,873	4,888,299
Surplus after income tax expenses for the year	732,025	349,572
Retained surpluses at the end of the financial year	**5,969,898**	**5,237,871**

Note 14. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Crowe Horwath, the auditor of the company:

	2018	2017
	$	$
Audit services – Crowe Horwath		
Audit of the financial statements	17,568	19,000
Other services	-	2,150

Note 15. Key management personnel disclosures

Compensation

The aggregate compensation made to officers and other members of key management personnel is set out below:

	2018	2017
	$	$
Aggregate compensation	**887,103**	**846,609**

Note 16. Contingent liabilities

The company has given bank guarantees as at 30 June 2018 of $57,965 (2017: $44,264) relating to security deposits for property leases.

Note 17. Commitments

	2018	2017
Capital and Leasing Commitments	$	$
a. **Finance Lease Commitments (Motor Vehicles)** Payable – minimum lease payments		
• Not later than 12 months	2,819	17,373
• Later than 12 months but not later than 5 years	-	3,166
Minimum lease payments	**2,819**	**20,539**
Less future finance charges	(45)	(987)
Present value of minimum lease payments	**2,774**	**19,552**

All current motor vehicles are five-year leases with an option to purchase at the end of the lease term. No debt covenants or other such arrangements are in place.

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable – minimum lease payments

• Not later than 12 months	213,420	163,996
• Later than 12 months but not later than 5 years	382,876	477,247
Minimum lease payments	596,296	641,243

The property and equipment leases are non-cancellable leases with terms of between 2 and 5 years, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% p.a.

Renewal options vary between leases.

Mambourin enjoys the use of premises at Sunshine, Werribee, Deer Park, Braybrook and Altona owned by either local councils or Department of Human Services where there are effectively no rental payments required.

Note 18. Events after the reporting period

No events, or circumstances have arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the result of those operations or company's state of affairs in future financial years.

Note 19. Reconciliation of surplus after income tax to net cash from operating activities

	2018	2017
	$	$
Surplus after income tax expense for the year	732,025	349,572
Loss on sale of plant and equipment	4,452	2,158
Gain on sale of land and buildings	-	(361,404)
Depreciation and amortisation	359,371	365,725
Impairment of assets	-	111,007
Change in operating assets and liabilities:		
Decrease in trade and other receivables	79,973	(302,603)
Increase in other assets	(62,303)	(35,429)
Increase in trade and other payables	78,676	198,512
Increase in employee benefits	81,817	335,965
Decrease in Revenue in advance	(133,022)	184,551
Non-cash movement in assets and liabilities relating to business combination	-	(138,957)
Net cash from operating activities	**1,140,989**	**709,097**

Note 20 – Business Combination

On 16th January 2017 Mambourin entered into an agreement with Australian Community Logistics (ACL) whereby Mambourin commenced providing the services previously provided by ACL. As part of this agreement Mambourin offered employment to substantially all of ACL's existing employees whilst retaining their liabilities for no consideration.

ACL was a social enterprise that provided employment to school students and adults with disabilities to undertake work based traineeships.

Details of the acquisition are as follows:

	Fair value
	$
Plant and equipment	27,950
Employee benefits	(138,957)
Net liabilities acquired	(111,007)
Goodwill	111,007
Acquisition-date fair value of the total consideration transferred	**-**

Note 21 – Prior Period Adjustment

Effective 1 December 2017 pay rates for workers in the social, community and disability services sectors increased in line with the Equal Remuneration Order. In view of these increased pay rates we reviewed our records and identified some discrepancies in the wages paid to certain employees. Where there was an error we rectified this through a lump sum back payment

1 July 2016			
Impact of financial statement	**As previously stated**	**Adjustment (prior to 16/17)**	**Restated Balances**
	$	**$**	**$**
Backpay Accrual	-	159,097	159,097
Backpay Provision	-	78,051	78,051
Total Liabilities	**3,671,622**	**237,148**	**3,908,770**
Equity			
Retained Surplus	**5,125,447**	**(237,148)**	**4,888,299**
30 June 2017			
Backpay Accrual	-	288,784	288,784
Backpay Provision	-	237,148	237,148
Total Liabilities	**3,935,209**	**525,932**	**4,461,141**
Equity			
Retained Surplus	**5,763,803**	**(525,932)**	**5,237,871**
Impact on profit for the year			
30 June 2017			
Employee Expense	8,777,731	288,784	9,066,515
Total Expenses	**11,572,567**	**288,784**	**11,861,351**
Surplus	**638,356**	**(288,784)**	**349,572**

Directors’ declaration

In the directors’ opinion:

- The attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, The Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the company’s financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
  and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

Paul Larcher
Chair

08 October 2018
Melbourne

Crowe Horwath
PART OF FINDEX

Independent Auditor's Report to the Members of Mambourin Enterprises Limited

Opinion

We have audited the financial report of Mambourin Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Company 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

GORDON ROBERTSON
Partner

Melbourne, Victoria
15 October 2018

Our locations

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www.mambourin.org

mambourin

Our locations

Altona Community Hub
130 Queen St
Altona VIC 3016

Bacchus Marsh Community Hub
164 Main Street
Bacchus Marsh VIC 3340

Braybrook Community Hub
Ravenhall St
Braybrook VIC 3019

Deer Park Community Hub
Cnr Miles St and Ballarat Rd
Deer Park VIC 3023

Melton Community Hub
1 Collins Rd
Melton VIC 3337

Sunshine Community Hub
50 Stanford St
Sunshine VIC 3020

Sunbury Community Hub
4/2 Brook St
Sunbury VIC 3429

Werribee Community Hub
11 Walls Rd
Werribee VIC 3030

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Derrimut VIC 3026

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