



Financial report 2018-2019

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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 26 August 2019. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report on Mambourin Enterprises Limited for the financial year ended 30 June 2019.

Directors

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

Names	Position/appointed/resigned
Paul Larcher	Chair
Afroz Hudli	Deputy Chair from 26 November 2018; tenure ceased 19 May 2019
Fiona Schutt	Deputy Chair from 26 November 2018
James Barrie	Appointed to the board 2 July 2019
Cory Becker	Tenure ceased 29 October 2018; reappointed to the board 26 November 2018; resigned from the board 23 July 2019
Vittoria Chiarella	Tenure ceased 29 October 2018; reappointed to the board 26 November 2018; resigned from the board 25 February 2019
Leslie Chitts	
Barbara MacKinnon	
David Markus	
Claire Thomas	
Emanuel Tumino	
Jennifer Webster	
Edmund Wong	Appointed to the board 3 June 2019

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

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.

Fiona Schutt, Deputy Chair

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.

James Barrie

James runs his own business providing professional advisory and Company Secretary services to companies and is currently a non-executive director of several for-profit companies. He is also passionate about continuing a longstanding family heritage of involvement in the disabilities sector.

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.

Leslie Chitts

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

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 life 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.

Edmund Wong

Edmund has 30 years' experience in executive roles at high technology corporations. He is also on several boards including YMCA Services and is currently Chairperson at RIAC (Rights Information Advocacy Centre).

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 2018-2019

Director	Total attended	Eligible to attend
Paul Larcher	9	9
Afroz Hudli	5	7
Fiona Schutt	6	9
Cory Becker	5	9
Vittoria Chiarella	3	5
Leslie Chitts	7	9
Barbara MacKinnon	8	9
David Markus	8	9
Claire Thomas	8	9
Emanuel Tumino	8	9
Jennifer Webster	6	9
Edmund Wong	1	1

Review of operations

The surplus of the company amounted to \$395,056 (2018 \$689,226 restated).

A review of the operations of the company during the financial year and the result of those operations found that during the year the company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

Significant changes

There are no significant changes for the company during the year.

Principal purpose

The principal purpose of Mambourin Enterprises Limited is to:

1. Manage and maintain services for the education, employment, training and support of people with disabilities.
2. Cooperate 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.

Principal activities

The principal activities of the company during the financial year were to provide various services and resources to the community.

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.

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 \$460, based on 46 current ordinary members (2018: 52).



Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Fiona Schutt

Deputy Chair

Dated on 26 August 2019

MOORE STEPHENS

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF MAMBOURIN ENTERPRISES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

28 August 2019

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Note	2019 \$	2018 (restated)* \$
Revenue	4	13,702,222	12,682,493
Expenses			
Administration	5	(1,055,010)	(1,088,348)
Client program costs		(335,823)	(359,575)
Client transport costs		(610,056)	(565,081)
Employee benefits expense		(10,311,296)	(9,273,293)*
Depreciation expense		(556,536)	(359,371)
Finance costs		(14,477)	(21,082)
Rental and lease expenses		(284,664)	(240,370)
Other expenses		(139,304)	(86,147)
Surplus before income tax expense		395,056	689,226*
Income tax expense		-	-
Surplus after income tax expense		395,056	689,226*
Other comprehensive income for the year		-	-
Total comprehensive income for the year		395,056	689,226*

*Please see Note 21 for restatement of balance information

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 2019

	Note	2019 \$	2018 (restated)* \$
Assets			
Current assets			
Cash and cash equivalents	6	2,800,887	2,841,882
Trade and other receivables	7	806,440	322,742
Financial assets	9	25,000	-
Other assets	8	106,367	128,185
Total current assets		3,738,694	3,292,809
Non-current assets			
Property, plant and equipment	10	4,851,486	5,187,967
Total non-current assets		4,851,486	5,187,967
Total assets		8,590,180	8,480,776
Liabilities			
Current liabilities			
Trade and other payables	11	661,417	880,617*
Employee benefits	12	1,302,834	1,050,855*
Backpay provision	11	140,514	311,137*
Borrowings	13	-	2,819
Total current liabilities		2,104,765	2,245,428*
Non-current liabilities			
Employee benefits	12	90,104	85,142
Borrowings	13	200,980	350,931
Total non-current liabilities		291,084	436,073
Total liabilities		2,395,849	2,681,501*
Net assets		6,194,331	5,799,275*
Equity			
Retained surpluses	14	6,194,331	5,799,275*
Total equity		6,194,331	5,799,275*

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 2019

	Retained surpluses	Total equity
	\$	\$
Balance at 1 July 2017 (restated*)	5,110,049	5,110,049
Surplus for the year (restated*)	689,226	689,226
Total comprehensive income for the year	689,226	689,226
Balance at 30 June 2018	5,799,275	5,799,275
	Retained surpluses	Total equity
	\$	\$
Balance at 1 July 2018	5,799,275	5,799,275
Surplus for the year	395,056	395,056
Total comprehensive income for the year	395,056	395,056
Balance at 30 June 2019	6,194,331	6,194,331

*Please see Note 21 for restatement of balance information

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

Statement of cash flow

For the year ended 30 June 2019

	Note	2019 \$	2018 (restated)* \$
Cash flows from operating activities			
Receipts from customers and government departments (inclusive of GST)		14,629,255	14,010,854
Payments to suppliers and employees (inclusive of GST)		(14,211,303)	(13,392,769)
Interest received		20,804	18,056
Interest paid		(14,477)	(21,082)
Net cash from operating activities	20	424,279	615,059
Cash flows from investing activities			
Payment for investment in associate		(25,000)	-
Payments for property, plant and equipment		(307,226)	(202,121)
Proceeds from sale of property, plant and equipment		19,722	51,575
Net cash from/(used in) investing activities		(312,504)	(150,546)
Cash flows from financing activities			
Repayments of borrowings		(152,770)	(1,451,802)
Net cash from/(used in) financing activities		(152,770)	(1,451,802)
Net decrease in cash and cash equivalents		(40,995)	(987,288)
Cash and cash equivalents at the beginning of the financial year		2,841,882	3,829,170
Cash and cash equivalents at the end of the financial year	6	2,800,887	2,841,882

*Please see Note 21 for restatement of balance information

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

Notes to the financial statements

The financial statements cover Mambourin Enterprises Limited as an individual entity. Mambourin Enterprises Limited is a not-for-profit company, registered and domiciled in Australia.

The functional and presentation currency of Mambourin Enterprises Limited is Australian dollars.

Note 1. 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 3.

Note 2. Summary of significant accounting policies

New, revised or amended Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory, have not been early adopted, apart from AASB 15, which has been early adopted.

The following summarises these present and future requirements, and their impact on Mambourin where the standard is relevant:

AASB 16

AASB 16 Lease comes into effect for annual reporting periods beginning on or after 1 January 2019. The adoption of AASB 16 will result in the recognition of a significant right-of-use asset together with corresponding lease liabilities. The expected impact on future financial statements based on current management assessment is stated below:

Financial year	2019	2020	2021	2022
Income statement				
EBITDA	101,797	132,634	122,207	91,370
EBIT	8,247	13,756	12,827	10,484
NPBT	(7,871)	560	5,366	7,938
Balance sheet				
Assets	309,146	190,267	80,886	(0)
Liabilities	323,010	203,572	88,825	(0)

AASB 9

Mambourin Enterprises Limited (Mambourin) has adopted AASB 9 *Financial Instruments* from 1 July 2018. Mambourin has decided not to restate comparative information as permitted by the transitional provisions of AASB 9. AASB 9 did not have any significant impact on the accounting policies and financial performance or position of the company.

As part of the adoption of AASB 9, the company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line in the statement of profit and loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year.

The key changes to the company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Accounting policies from 1 July 2018

Mambourin measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

For trade receivables, Mambourin applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

AASB 15

Mambourin has adopted *AASB 15 Revenue from Contracts with Customers* from 1 July 2018.

AASB 15 did not have any significant impact on the accounting policies and financial performance or position of the company. There were no adjustments made to the Statement of profit or loss and other comprehensive income for the period ending 30 June 2018 and amounts recognised in the balance sheet at the date of initial application (1 July 2018) and the beginning of the earliest period presented (1 July 2017).

Accounting policies applied until 30 June 2018 and from 1 July 2018

Revenue recognition

Service revenue

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Revenue considered to be variable in nature is only recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Once the uncertainty related to the variable consideration is resolved this amount is adjusted.

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 & 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 of Directors 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 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 the 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.

Investments in associates

Interest in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with *AASB 128 Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

Note 3. 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 2, 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.

Expected credit loss

For trade receivables, the incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Note 4. Revenue

	2019	2018
	\$	\$
Sales revenue		
Sales	1,124,502	971,480
Fees and charges	1,124,101	1,155,780
	2,248,603	2,127,260
Other revenue		
Donations	5,879	8,934
Grants	11,273,259	10,416,084
Interest	20,804	18,056
Gain on sale of assets	-	6,353
Fundraising	16,129	13,733
Other revenue	137,548	92,073
	11,453,619	10,555,233
Total revenue	13,702,222	12,682,493

Note 5. Administration expenses

	2019	2018
	\$	\$
Contracts/consultants	(105,481)	(117,317)
Energy	(95,855)	(117,909)
External services	(840,425)	(831,281)
Insurance	(13,249)	(21,841)
Total expenses	(1,055,010)	(1,088,348)

Note 6. Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand (petty cash accounts and cash tins)	46,792	22,147
Cash at bank (cheque and special purpose accounts)	133,916	46,022
Cash on deposit (business online saver)	2,620,179	2,773,713
	2,800,887	2,841,882

Note 7. Trade and other receivables

	2019	2018
	\$	\$
Trade receivables	816,899	336,533
Less expected credit loss	(10,459)	(13,791)
	806,440	322,742

Note 8. Other assets

	2019	2018
	\$	\$
Prepayments	46,402	68,220
Security deposits	59,965	59,965
	106,367	128,185

Note 9. Financial assets

	2019	2018
	\$	\$
Financial assets – shares in Ability X	25,000	-
	25,000	-

Note 10. Property, plant and equipment

	2019	2018
	\$	\$
Land – at cost	1,342,000	1,342,000
	1,342,000	1,342,000
Buildings and freehold improvements – at cost	3,914,137	3,854,646
Less: accumulated depreciation	(1,019,828)	(884,437)
	2,894,309	2,970,209
Plant and equipment – at cost	1,509,065	1,994,306
Less: accumulated depreciation	(1,057,307)	(1,481,526)
	451,758	512,780
Motor vehicles – at cost	1,516,891	1,492,012
Less: accumulated depreciation	(1,353,472)	(1,129,034)
	163,419	362,978
Total property, plant and equipment	4,851,486	5,187,967

(a) Movement in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land	Buildings and freehold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of year	1,342,000	3,081,912	522,910	454,423	5,401,245
Additions	-	7,192	156,935	37,994	201,121
Asset disposals	-	-	(31,065)	(102,894)	(133,959)
Depreciation expense	-	(118,895)	(136,000)	(26,545)	(281,440)
Balance at the end of the year	1,342,000	2,970,209	512,780	362,978	5,187,967
Year ended 30 June 2019					
Balance at the beginning of year	1,342,000	2,970,209	512,780	362,978	5,187,967
Additions	-	107,166	175,181	24,879	307,226
Asset disposals	-	(23,838)	(63,333)	-	(87,171)
Depreciation expense	-	(159,228)	(172,870)	(224,438)	(556,536)
Balance at the end of the year	1,342,000	2,894,309	451,758	163,419	4,851,486

Note 11. Trade and other payables

	2019	2018 (restated)*
	\$	\$
Trade and other payables	210,095	179,360
Revenue in advance	68,167	76,262
Sundry payables and accrued expenses	409,460	573,425
GST payable	(23,305)	51,570
	661,417	880,617
Backpay provision	140,514	311,137
	140,514	311,137

*Please see Note 21 for restatement of balance information

Note 12. Employee benefits

	2019	2018 (restated)*
	\$	\$
Current		
Annual leave	708,762	567,620
Long service leave	594,072	483,235
	1,302,834	1,050,855
Non-current		
Long service leave	90,104	85,142
	90,104	85,142

*Please see Note 21 for restatement of balance information

Note 13. Borrowings

	2019	2018
	\$	\$
Current		
Finance leases	-	2,819
	-	2,819
Non-current		
Secured mortgage	200,980	350,931
	200,980	350,931

Note 14. Equity – retained surpluses

	2019	2018 (restated)*
	\$	\$
Retained surpluses at the beginning of the financial year	5,799,275*	5,110,049
Surplus after income tax expenses for the year	395,056	689,226
Retained surpluses at the end of the financial year	6,194,331	5,799,275

*Please see Note 21 for restatement of balance information

Note 15. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Moore Stephens (2018: Crowe Horwath), the auditor of the company:

	2019 \$	2018 (restated)* \$
Audit services		
Audit of the financial statements	20,000	17,568

Note 16. Key management personnel disclosures

Compensation

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

	2019 \$	2018 \$
Aggregate compensation	918,239	887,103

Note 17. Contingent liabilities

The company has given bank guarantees as at 30 June 2019 of \$57,965 (2017: \$44,264) relating to security deposits for property leases.

Note 18. Commitments

Capital and leasing commitments

	2019 \$	2018 \$
a. Finance lease commitments (Motor vehicles)		
Payable – minimum lease payments		
• Not later than 12 months	-	2,819
• Later than 12 months but not later than 5 years	-	-
Minimum lease payments	-	2,819
Less future finance charges	-	(45)
Present value of minimum lease payments	-	2,774

All current motor vehicles are paid off.

	2019	2018
	\$	\$
b. Operating lease commitments (Motor vehicles)		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
• Not later than 12 months	184,604	213,420
• Later than 12 months but not later than 5 years	288,572	382,876
	473,176	596,296

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.

Mambourin has elected to not fair value peppercorn leases under *the Amendments to Australian Accounting Standards – Right-of-Use Assets for Not-for-Profit Entities*. This election allows Mambourin a temporary option to measure right-of-use assets at initial recognition for leases that have significantly below-market terms at cost, in accordance with AASB 16 Leases paragraphs 23–25, which incorporates the amount of the initial measurement of the lease liability.

Note 19. Events after the reporting period

Circumstances that have arisen since 30 June 2019 that have 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 are outlined below.

On 1 July 2019, The Long Service Leave Portability Act 2018 commences. The company is currently seeking legal counsel as to determine if the company meets requirements as a Community services sector participant and as such is bound by the legislation. Should Mambourin be required to contribute to the long service benefits scheme from 1 July 2019 this will have implications on employee entitlement disclosures in future accounting periods.

On 13 August the company signed a purchase contract for property located in Melton, Victoria. The property is to be acquired for \$2,250,000 with settlement expected in late September 2019 and is expected to be debt funded via business loan with the Commonwealth Bank.

As at the date of signing the financial report, the company is considering a lease agreement in Bacchus Marsh, to facilitate educational programs, at an approximate rental of \$26,364 per annum over a three-year term. It is intended that this lease will be executed subject to some further negotiation and as such this lease has not been incorporated into the AASB 16 impact disclosed at Note 2, nor has it been incorporated in Note 18(b) given the lease is yet to be formally executed.

Note 20. Reconciliation of surplus after income tax to net cash from operating activities

	2019	2018 (restated)*
	\$	\$
Surplus after income tax expense for the year	395,056	689,226
Loss on sale of plant and equipment	67,449	4,452
Depreciation and amortisation	556,536	359,371
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(483,698)	79,973
Decrease/(Increase)Increase in other assets	21,818	(62,303)
Increase/(Decrease) in trade and other payables	(449,592)	24,843
Increase(Decrease) in employee benefits	256,941	(347,481)
Increase/(Decrease) in revenue in advance	59,769	(133,022)
Net cash from operating activities	424,279	615,059

*Please see Note 21 for restatement of balance information

Note 21 – Prior period adjustment

In late 2018 Mambourin Enterprise Limited conducted a review of employment terms and conditions under our collective agreement "Mambourin Enterprise Inc Disability Services Victoria (part 1) Collective Agreement 2008". We identified a number of discrepancies with some penalty rates paid to certain employees, including full-time staff who have undertaken out of hours work. Where there was an error we rectified this through a lump sum back payment. This review has taken place over two financial years and the impact on the financial statements presented as at 30 June 2019 are as follows:

Restatement completed in 30 June 2019 financial statements:

Impact of financial statement	As previously stated (30 June 2018)	Adjustment (30 June 2018)	Restated balances (30 June 2018)
<i>Profit and loss</i>			
Employee benefits expense	(9,230,494)	(42,799)	(9,273,293)
Surplus before income tax expense	732,025	(42,799)	689,226
Surplus after income tax expense	732,025	(42,799)	689,226
Total comprehensive income	732,025	(42,799)	689,226
<i>Balance sheet</i>			
Trade and other payables	(740,103)	(140,514)	(880,617)
Employee benefits	(1,191,369)	140,514	(1,050,855)
Backpay provision	(140,514)	(170,623)	(311,137)
Total current liabilities	(2,074,805)	(170,623)	(2,245,428)
Total liabilities	(2,510,878)	(170,623)	(2,681,501)
Net assets	5,969,898	(170,623)	5,799,275
<i>Equity</i>			
Retained surplus – balance at 30 June 2018	5,969,898	(170,623)	5,799,275
Surplus for the year	732,025	(42,799)	689,226

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 2019 and of its performance for the financial year ended on that date.

- 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



Fiona Schutt

Deputy Chair

Dated on 26 August 2019

Independent auditor's report to the members of Mambourin Enterprises Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAMBOURIN ENTERPRISES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Mambourin Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2019, 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 notes and the Directors' declaration.

In our opinion the financial report of Mambourin Enterprises Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (The ACNC Act), including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of their performance for the year then ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the 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 ACNC Act 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 2019, 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 Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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 has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

28 August 2019

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