

Respect Inc

Financial Statements

For the Year Ended 30 June 2018

Contents

For the Year Ended 30 June 2018

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Respect Inc**Statement of Profit or Loss and Other Comprehensive Income**
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
INCOME			
Grants - non recurrent		-	42,705
Grants - State recurrent		703,229	624,223
Interest received		4,228	4,440
Sale of PPE supplies		38,491	40,832
Sundry income		3,842	103
TOTAL INCOME		749,790	712,303
EXPENDITURE			
Audit fees		2,500	2,000
Bank fees		405	373
Career project subsidies		1,755	3,194
Community development costs		29,495	27,226
Consultants and subcontractors		-	1,166
Cost of PPE supplies sold		36,458	30,280
Depreciation and impairments		4,122	5,102
Employee entitlements		492,095	449,479
ICT supply & support		22,630	26,022
Insurance		10,949	8,927
Meeting oncosts		2,089	1,593
Memberships		5,338	4,943
Motor vehicle expenses		2,475	5,046
Occupancy costs		110,254	109,350
Office and staff amenities		6,253	5,591
Printing and stationery		2,096	4,884
Research projects		5,004	10,385
Sundry expenses		-	1,142
Travel expenses		15,334	10,130
TOTAL EXPENDITURE		(749,252)	(706,833)
Surplus/(deficit) for the year		538	5,470

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	3	217,668	262,569
Trade and other receivables	4	-	1,208
Inventories		12,874	16,367
TOTAL CURRENT ASSETS		230,542	280,144
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,419	12,542
TOTAL NON-CURRENT ASSETS		8,419	12,542
TOTAL ASSETS		238,961	292,686
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	19,294	33,293
Other liabilities	7	29,375	55,778
Provision for employee benefits	8	31,711	41,966
TOTAL CURRENT LIABILITIES		80,380	131,037
NON-CURRENT LIABILITIES			
Provision for employee benefits	8	45,676	49,282
TOTAL NON-CURRENT LIABILITIES		45,676	49,282
TOTAL LIABILITIES		126,056	180,319
NET ASSETS		112,905	112,367
EQUITY			
Accumulated Funds		112,905	112,367
TOTAL EQUITY		112,905	112,367

Respect Inc

Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings	Total
Note	\$	\$
Opening balance 1 July 2017	112,367	112,367
Plus, surplus/(deficit) for the year	538	538
Closing Balance 30 June 2018	112,905	112,905

2017

	Retained Earnings	Total
Note	\$	\$
Opening Balance at 1 July 2016	106,897	106,897
Plus, surplus/(deficit) for the year	5,470	5,470
Closing Balance at 30 June 2017	112,367	112,367

The accompanying notes form part of these financial statements.

Respect Inc

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	720,368	728,170
Payments to suppliers and employees	(769,496)	(696,594)
Interest received	4,228	4,440
Net cash provided by/(used in) operating activities	10 (44,900)	36,016
Net increase/(decrease) in cash and cash equivalents held	(44,900)	36,016
Cash and cash equivalents at beginning of year	262,569	226,553
Cash and cash equivalents at end of financial year	3 217,669	262,569

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Respect Inc as an individual entity. Respect Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Respect Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Respect Inc receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on a cost basis when the Association is entitled to it.

(c) 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).

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Inventories

Inventories are acquired at cost and valued at the current resale amount.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(h) Economic dependence

Respect Inc is dependent on the Queensland Government for the majority of its revenue used to operate the business. At the date of this report the members have no reason to believe that the Queensland Government will not continue to support Respect Inc.

3 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank	216,561	262,162
Cash on hand	1,107	407
Total Cash and Cash Equivalents	217,668	262,569

4 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	-	1,208
Total current trade and other receivables	-	1,208

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Property, plant and equipment

PLANT AND EQUIPMENT

Furniture and equipment

At cost	33,987	33,987
Accumulated depreciation	(33,987)	(33,445)

Total furniture and equipment	-	542
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Motor vehicles

At cost	48,885	48,885
Accumulated depreciation	(40,466)	(37,130)

Total motor vehicles	8,419	11,755
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Computer equipment

At cost	44,256	44,256
Accumulated depreciation	(44,256)	(44,011)

Total computer equipment	-	245
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Total property, plant and equipment

8,419	12,542
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6 Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	2,750	8,497
GST & PAYG payable	16,544	2,750
Accrued expense	-	11,381
Superannuation payable	-	10,663
Total trade and other payables	19,294	33,291

7 Other Financial Liabilities

	2018	2017
	\$	\$
CURRENT		
Grants received in advance (MC RRT Training \$5,491, PLA 2 \$23,884)	29,375	55,778
Total other financial liabilities	29,375	55,778

Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Employee Benefits

	2018 \$	2017 \$
CURRENT LIABILITIES		
Provision for employee benefits	31,711	41,966
Total current employee benefits	31,711	41,966
	2018 \$	2017 \$
NON-CURRENT LIABILITIES		
Provision for long service leave	45,676	49,282
Total non-current employee benefits	45,676	49,282

9 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None).

10 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

	2018 \$	2017 \$
Profit/(loss) for the year	538	5,470
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	4,122	5,102
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,210	(58)
- (increase)/decrease in inventories	3,493	(5,824)
- increase/(decrease) in income in advance	(26,403)	20,366
- increase/(decrease) in trade and other payables	(14,000)	481
- increase/(decrease) in provisions	(13,861)	10,479
Cashflows from operations	(44,901)	36,016

Respect Inc

Notes to the Financial Statements
For the Year Ended 30 June 2018

11 Statutory Information

The registered office of and principal place of business of the association is:

Respect Inc.

PO Box 2470

NEW FARM QLD 4005

Respect Inc

Statement by Members of the Committee

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairperson (Vice Chair) T. Bell

Treasurer [Signature]

Dated this 25 day of September 2018

Respect Inc

Independent Audit Report to the members of Respect Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Respect Inc (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other 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 managements' assertion statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Associations's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with 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 Associations in accordance with the auditor independence requirements of Division 60 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.

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 to assist the Associations to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. 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 Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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, management is responsible for assessing the the Associations's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Associations or to cease operations, or has no realistic alternative but to

do so.

Those charged with governance are responsible for overseeing the Associations'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 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 the financial report.

Location

Dated this day of2018