



# Annual Report & Financial Report 2019/20

mambourin 

# Annual Report & Financial Report 2019/2020



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## ANNUAL REPORT

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# Annual Report 2019/2020



# Our Mambourin

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We have been supporting people with a disability for almost fifty years with the purpose of connecting people to every opportunity and supporting them to get what they want out of life.

## Vision

- Our vision is a world where all people can live a life they want.
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## Purpose

- Our purpose is to connect people to every opportunity and support them to get what they want out of life.
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## Values

- Our values are at the centre of everything we do. At Mambourin we act with the following values in mind, every single day.

**Putting the person first** – you are the reason why we are here

**Service excellence** – you can count on us

**Making a difference** – creating opportunities

**Our community** – together we are one

You can see how these values come to life through our customer charter.

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# Our customer charter

At Mambourin, our community members are at the heart of everything that we do. This means more than just providing varied and exciting choices and supports. It means engaging with our community, retaining high quality staff, maintaining a strong financial base, managing risks and embracing innovation. All of these things are key to ensuring that Mambourin continues to open up opportunities for people with disabilities to live great lives.

## Putting the person first – you are the reason why we are here

- We see every customer as an individual with their own potential
- We listen and take time to understand what motivates and inspires each individual
- We don't tell people what they need, we work with them to discover exactly what they want

## Service excellence – you can count on us

- We are true to our word and accountable for our actions
- We don't over promise but we strive to do our very best
- We listen to feedback and work continuously to improve

## Making a difference – creating opportunities

- We find ways to say "yes"
- We work together across our networks to ensure exceptional outcomes
- We continually innovate and create new opportunities for people

## Our community – together we are one

- We ensure a safe and secure environment and will speak up if we have concerns
- We work as a team to achieve and support each other
- We grow strong community connections and partnerships

## Our patron

We thank Mambourin's patron Julia Gillard, for her ongoing support and continued endorsement of Mambourin's vision.

Julia Gillard, the 27th Prime Minister of Australia, currently serves as the Chair of Beyond Blue; Chair of the Global Partnership for Education; and inaugural Chair of the Global Institute for Women's Leadership.



# Chair's report



Paul Larcher

The Mambourin Board – and indeed the broader Mambourin team – has adapted to new ways of working since our last report due to the crisis created by the COVID-19 pandemic.

This “new normal” has included moving board meetings online, staff working remotely and adapting to different modes of service delivery, and many of us working around the clock to respond to ever-changing government guidelines.

I’d like to thank every one of you for being so responsive, resilient and agile as we face the challenge of navigating our way through the pandemic and most importantly, continuing to be there for the many people we support. I would also like to acknowledge Rohan Braddy’s significant contribution as CEO in leading Mambourin through this extraordinary year.

Sound financial management by the board means we are in a stable financial position, despite the significant reduction in service delivery and income. Thank you to the Executive team who took voluntary pay reductions, and to all those team members who were stood down to reduced hours. Without these measures, tempered by the government’s JobKeeper subsidy, our financial results would have seen a substantial loss. Our staff have been amazing during these very challenging times, and I am just so grateful for their dedication to ensuring the needs of the people we support continued to be met as much as humanly possible within the constraints of restrictions.

Our financial position means we can continue to provide support to the people who need it most during this difficult time. We are also confident that we will be even stronger into the future with the learnings and innovations developed during our response to the pandemic.

Prior to this global shakeup, we said farewell to David Markus after four years as a director and I would like to extend my sincerest thanks for his much-valued contribution to the board. Claire Thomas and Barbara MacKinnon have confirmed

they will be stepping down from the board at the 2020 AGM in October and we are incredibly grateful for their time, assistance, committee work and support whilst serving on the board.

We conducted a recruitment process focusing on finding directors with information technology skills and are delighted to welcome two new directors. Chris Cullin is an IT executive, with 30 years of global IT experience, including in artificial intelligence and machine learning. Dr Marija Maher brings expertise in corporate strategy, business innovation, regulatory oversight and financial and risk management. The board also appointed a new member to the governance committee, Kevin Glennon, an executive with experience in digital transformation strategy.

None of us can predict how soon we will be able to return to business as usual, or how things will look in a year’s time. What I can be sure of is that the board will continue in their commitment to plan for Mambourin’s future and adapt as new challenges arise, to ensure our success and sustainability as an organisation, and to open opportunities for people to live the life they want to live.

**Paul Larcher**

# Our board

Mambourin's board of directors are accountable for the performance of our organisation. The board's work is underpinned by meaningful engagement with our community, instilling a culture that supports our purpose.



**Paul Larcher**  
Board Chair

Director and advisor with over 25 years' engineering and business experience in infrastructure operations and multi-disciplinary projects.



**Fiona Schutt**  
Deputy Chair

Financial executive and commercial enabler with extensive expertise in delivering strategic commercial advice.



**James Barrie**

Business owner with considerable experience across resources, pharmaceuticals, retail and professional services industries.



**Les Chitts**

Parent of a man with a disability and experienced board member heavily involved with several community organisations.



**Barbara MacKinnon**

Mother of two adults with a disability and director of a cleaning company for 31 years before retiring.



**Chris Cullin**

IT executive skilled in corporate governance, strategy and cyber risk and technology with over 30 years of global ICT leadership experience.



**Marija Maher**

Senior executive with expertise in corporate strategy, business innovation, regulatory oversight, financial and risk management.



Independent public policy consultant with a strong background in public policy and administration, and academic research.



Commercial litigation lawyer who provides a highly strategic approach to decision-making and makes a strong contribution to corporate governance.



Retired educational leader with expertise in project management, strategic and innovative thinking, case management and community engagement.



Corporate executive who is performance driven and customer focused; current Chair of Rights Information Advocacy Centre (RIAC).

## Our board committees

Our board delegates some of its work to committees to handle specialised issues more effectively such as governance or risk and audit. Committees make recommendations to the board.

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### Governance committee

 **Claire Thomas (Chair), James Barrie, Les Chitts, Kevin Glennon, Barbara MacKinnon, Emanuel Tumino**

The board appointed Kevin Glennon to the committee in May 2020. Kevin is an accomplished senior executive with significant professional experience in information technology and digital transformation. Kevin has completed the Director Institute Next Generation course.

Along with the regular review of governance policies and procedures, the governance committee managed another successful course of director recruitment to complement the board's strong, capable and varied skillset. The governance committee also reviewed board efficiency, meeting frequency and agenda management along with board training requirements.

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## Risk and audit committee

 **Fiona Schutt (Chair), Les Chitts, Barbara MacKinnon, Jennifer Webster, Edmund Wong**

The risk and audit committee reviewed key risks in information and communication technology, and occupational health and safety and formalised a new statement of risk appetite to align with our risk management framework. Budget formation included thorough development of defensible assumptions based on extensive scoping of scenarios in the unpredictable COVID-19 environment, and incorporation of a new rolling budget forecast. Oversight of COVID-19 planning was also within the committee purview.

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## Remuneration committee

 **Paul Larcher (Chair), Fiona Schutt**

The remuneration committee reviews the CEO's performance. The committee agreed that, under the CEO's leadership and throughout the challenges of the pandemic, COVID-19 plans were optimal, finances were closely managed, and the organisation was adapting to meet the changing needs of our community.

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# CEO's report



Rohan Braddy

2020 – the year the Mambourin community showed its resilience, quality and commitment. From NDIS participants to staff, garden crew, warehouse workers, trainees and everyone in between, our people are remarkable.

It goes without saying that COVID-19 is an evolving global situation and still changing frequently. Our team has undertaken constant reviews of our infection control measures and adherence to government restrictions. The news and advice received has often been contradictory and we have continually adapted our everyday service provision to manage the significant disruption to our lives. We have learnt to exercise the “pandemic pivot” and try new ways of connecting people to opportunities that have included social gatherings via videoconference and one-to-one services in the home or out in the community. The feedback

received from people regarding our transformed services has been overwhelmingly positive.

One adaptation resulting from the unique challenges of the pandemic has been to merge our annual report and financial report into one document produced in electronic format only (although we will print individual copies on request – just let us know if you would like one via one of the contact methods on the back page). We hope you enjoy reading of the great work Mambourin does.

Financial reports necessarily contain forward looking statements and are built on a range of assumptions particularly around future cash flows, assumptions that are incredibly challenging in a time of uncertainty. With thanks to the thorough management of the finance team and the receipt of JobKeeper payments, we were pleased to receive an unqualified audit from the auditor, and to confirm our ability to continue as a going concern.

The beginning of the financial year (it seems so long ago!) was busy with preparation of a submission to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability outlining our zero-tolerance approach. We reviewed and updated our policies and practices to ensure we continue

to meet all the registration standards required by the new NDIS Quality and Safeguards Commission. We faced the challenge of an influenza outbreak that resulted in the early Christmas closure of two hubs. AbilityX, the commercialisation of our software called MERP, required further resources from Mambourin in order to remain viable and, since this is not our core business, a decision to cease trading was undertaken. Our Mambourin Business Solutions (MBS) training centre won a Victorian Training Award and two members of the MBS team won Parliament of Victoria Community Achiever Awards. Some extraordinary achievements!

I would like to extend my most profound thanks to every member of our community for your determination to see through the challenges we have stared down together. In particular, I would like to thank Mambourin’s dedicated staff. I would also like to acknowledge the wonderful support of our board, ably led by Paul Larcher.

Our vision is to live a culture of inclusiveness, keeping people at the heart of what we do and remaining true to our values and our purpose. I see the lived experience of this in the Mambourin community despite the many and varied challenges of the pandemic. We are already stronger for it and may we continue to grow from strength to strength.

**Rohan Braddy**

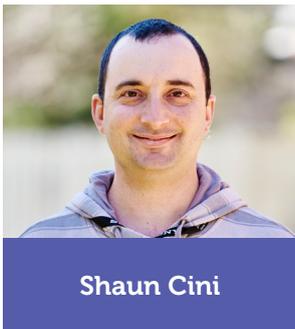


# Our people

## Mighty Mambourinites

Each month we ask our team members to nominate colleagues who are living and breathing Mambourin’s values – our Mighty Mambourinites! Here are the people we have recognised over the past year, along with some of the wonderful words written about them by their nominators.

### 2019



Shaun never says ‘no’. Helpful in every way possible towards the team and customer supports.



Lucy works tirelessly to support and train our customers in the shredding shed, always promoting choice, dignity, and independence.



Peter always has our supported employees front of mind when creating work aids and adaptive equipment to support all our team members to work on a variety of jobs.



Kitty is always inspiring others with her positive attitude. All the customers and staff love her, and she always brightens up your day with her kind heart and willingness to help in any way she can.



**|| August**  
Michelle always goes out of her way to help our community-team members, customers or families and carers.



**|| October**  
... the Braybrook team members have made a real team effort to run programs while moving from two buildings into one ... I am proud to be a part of the Braybrook Team.



# 2020



Sean Sandford

## January

Sean has developed into a confident, committed and highly competent employee and is a fantastic role model to other supported employees who aspire to take on more challenging roles.



Rhys Davies

## March

Rhys has continued to grow the services offered by the gardening team not only to enhance the work delivered by Mambourin, but also to provide opportunities for members of the team to broaden their work capabilities.



Vincent Knight

## May

Not only has Vincent supported our community members in their homes and out in the community, he has also been a pivotal staff member at the hub from painting walls to scrubbing floors, and any other task that has been asked of him.



Linda Agius

## June

Linda is a dedicated and passionate individual who always demonstrates a willingness to do whatever is required to support our Mambourin community.

Trichelle Susila

## February

Trichelle delivers high quality programs and outcomes for customers at Bacchus Marsh ... She is approachable, she always listens and follows through, and is really good at building rapport with our participants.

Jemuel Banson

## April

Jemuel is doing an incredible job during trying times. He remains calm, professional, thorough, inclusive, and open and is always looking for new projects to keep our Werribee Hub operating well and efficiently.

## Mambourin Business Solutions are high achievers!

In September 2019, the Mambourin Business Solutions (MBS) training centre was selected as a finalist in the Victorian Training Awards in the category of *Employer Award for Apprenticeship Development*.



Dee-Jay



Khai

In December 2019, Dee-Jay and Khai from our MBS team each won a Parliament of Victoria Community Achiever Award.

Dee-Jay was recognised for her leadership and mentoring capabilities in the MBS team.

Khai was recognised for his keen contribution to all gardening tasks and his helpful and considerate attitude towards other trainees while undertaking his Horticulture traineeship with MBS.

Congratulations to the whole MBS team for your amazing efforts over the last 12 months.



## Keeping our community hubs connected

One of the things our community members love most about Mambourin is group activities with friends. So, when the pandemic hit this year, we faced a new challenge. We have been so impressed to see so many of our community members adapt to new technology and new modes of service delivery.

Whether it is Zoom catch ups with friends, receiving support online or one-to-one at home, our community has found a way to stay connected and keep achieving their goals!

# Financial Report 2019/2020



# Directors' report

**30 June 2020**

The directors present their report on Mambourin Enterprises Limited ("the Company") for the financial year ended 30 June 2020.

## General information

### Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Position	Appointed/Resigned
<b>Paul Larcher</b>	Chair	
<b>Fiona Schutt</b>	Deputy Chair	
<b>Cory Becker</b>		Resigned on 23 July 2019
<b>Leslie Chitts</b>		
<b>Barbara MacKinnon</b>		
<b>David Markus</b>		Retired on 28 October 2019
<b>Claire Thomas</b>		
<b>Emanuel Turmino</b>		
<b>Jennifer Webster</b>		
<b>Edmund Wong</b>		
<b>James Barrie</b>		Appointed on 2 July 2019
<b>Chris Cullin</b>		Appointed on 25 May 2020
<b>Marija Maher</b>		Appointed on 25 May 2020

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Rohan Braddy, Chief Executive Officer, has held the role of Company Secretary since October 2014.

## Members of the board and meeting attendance 2019-20

Directors	Total attended	Eligible to attend
<b>Paul Larcher</b>	8	10
<b>Fiona Schutt</b>	8	10
<b>Cory Becker</b>	-	-
<b>Leslie Chitts</b>	9	10
<b>Barbara MacKinnon</b>	9	10
<b>David Markus</b>	2	3
<b>Claire Thomas</b>	10	10
<b>Emanuel Tumino</b>	8	10
<b>Jennifer Webster</b>	10	10
<b>Edmund Wong</b>	8	10
<b>James Barrie</b>	10	10
<b>Chris Cullin</b>	1	1
<b>Marija Maher</b>	-	1

## Information on directors

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

<b>Paul Larcher</b>	Paul is a chartered engineer with over 25 years' experience in managing the operation and delivery of multimillion-dollar infrastructure projects. He has skills in strategic planning, risk management, business improvement and commercial performance.
<b>Fiona Schutt</b>	Fiona is CPA and MBA qualified with 15 years' experience across large 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.
<b>Cory Becker</b>	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.
<b>Leslie Chitts</b>	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.

<p><b>Barbara MacKinnon</b></p>	<p>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.</p>
<p><b>David Markus</b></p>	<p>David is an engineer with 25 years' IT experience and commenced running his own IT services business with his wife in 2002. His focus is on managing IT systems and avoiding risks related to privacy and cyber threats.</p>
<p><b>Claire Thomas</b></p>	<p>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.</p>
<p><b>Emanuel Tumino</b></p>	<p>Emanuel has practised 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.</p>
<p><b>Jennifer Webster</b></p>	<p>Jennifer 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.</p>
<p><b>Edmund Wong</b></p>	<p>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).</p>
<p><b>James Barrie</b></p>	<p>James has considerable experience in governance, stakeholder relations, financial accounting and reporting, capital management and mergers and acquisitions. James is a non-executive director of several for-profit companies and is also passionate about his involvement in the disability sector.</p>
<p><b>Chris Cullin</b></p>	<p>Chris has over 30 years of global ICT leadership experience with NBN, Telstra, Microsoft and Cisco. Chris uses his skills in corporate governance, strategy, cyber risk and technology to help Mambourin realise its purpose. Chris is passionate about technology and how it can be used to create opportunity and help people connect.</p>
<p><b>Marija Maher</b></p>	<p>Marija brings expertise in strategy, innovation, regulatory oversight, financial and risk management.</p> <p>Marija is committed to invigorating organisational performance through people and technology blended transformations. Marija has a Doctorate in Business Administration and is passionate about social justice.</p>



## Principal purpose

The principal purpose of Mambourin Enterprises Limited during the financial year was to:

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

There were no significant changes to the Company's principal purpose during the financial year.

## Principal activities

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

There were no significant changes in the nature of the Company's principal activities during the financial year.

## Performance measures

Mambourin Enterprises Limited has a strategic plan and management reports to the board regularly via the CEO on progress. The CEO also reports financial performance on a monthly basis to the board and an annual report is produced which demonstrates the Company's performance to the community.

## Contributions on winding up

Mambourin Enterprises Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 each.

**At 30 June 2020 the collective liability of members was  
\$ 400 (2019: \$ 460)**

## Review of operations

### The surplus of the Company amounted to

**\$ 842,140 (2019: \$395,056)**

A review of the operations of the Company during the financial year and the results 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.

The Company highlights that JobKeeper provided income of approximately \$1.9 million (refer to Note 5) during the financial year 2019/20, to support employment during the unprecedented COVID-19 pandemic. Excluding this government support, the Company would have reported an operating loss of approximately \$1.1 million for the financial year. All JobKeeper payments received by the Company were fully passed on to eligible employees to enable the Company to continue to provide its principal activities which enable its continued principal purpose.

## Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

## Subsequent events

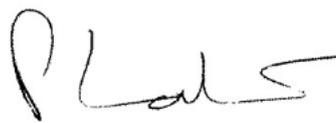
The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the Company at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the Company. At the date of the financial statements an estimate of the future effects of the COVID-19 pandemic on the Company cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## 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 2020 has been received and can be found on **page 22** of the financial report.

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



**Director: Paul Larcher**

**Date: 28 September 2020**

# Auditor's independence declaration

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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

*Moore Australia*

**MOORE AUSTRALIA AUDIT (VIC)**

**RYAN LEEMON**

**Partner  
Audit and Assurance**

Melbourne, Victoria  
30 September 2020

Moore Australia Audit (VIC) - ABN 17 847 721 257.

An Independent member of Moore Global Network Limited - members in principal cities throughout the world. Liability limited by a scheme approved under Professional Standards Legislation.

# Statement of profit or loss and other comprehensive income

## For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	5	<b>15,570,848</b>	13,702,222
Rental and lease expenses		<b>(42,263)</b>	(284,664)
Employee costs - general		<b>(11,880,185)</b>	(10,311,296)
Client transport costs		<b>(349,574)</b>	(610,056)
Client program costs		<b>(312,449)</b>	(335,823)
Administration expenses	7	<b>(1,161,337)</b>	(1,055,010)
Depreciation expenses	6	<b>(647,377)</b>	(556,536)
Finance expenses		<b>(20,008)</b>	(14,477)
Other expenses	13	<b>(315,515)</b>	(139,304)
<b>Surplus before income tax</b>		<b>842,140</b>	395,056
Income tax expense		-	-
<b>Surplus for the year</b>		<b>842,140</b>	395,056

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Statement of financial position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	8	<b>3,622,123</b>	2,800,887
Trade and other receivables	9	<b>1,097,160</b>	806,440
Financial assets	10	<b>47,500</b>	25,000
Other assets	11	<b>146,255</b>	106,367
TOTAL CURRENT ASSETS		<b>4,913,038</b>	3,738,694
NON-CURRENT ASSETS			
Property, plant and equipment	12	<b>7,051,935</b>	4,851,486
Right-of-use assets	13	<b>341,458</b>	-
TOTAL NON-CURRENT ASSETS		<b>7,393,393</b>	4,851,486
TOTAL ASSETS		<b>12,306,431</b>	8,590,180
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	14	<b>430,752</b>	593,250
Lease liabilities	13	<b>162,310</b>	-
Employee provisions	15	<b>1,529,542</b>	1,302,834
Amounts received in advance	16	<b>529,690</b>	68,167
Backpay Provision	17	<b>155,833</b>	140,514
TOTAL CURRENT LIABILITIES		<b>2,808,127</b>	2,104,765
NON-CURRENT LIABILITIES			
Borrowings	18	<b>2,179,360</b>	200,980
Lease liabilities	13	<b>164,080</b>	-
Employee provisions	15	<b>118,393</b>	90,104
TOTAL NON-CURRENT LIABILITIES		<b>2,461,833</b>	291,084
TOTAL LIABILITIES		<b>5,269,960</b>	2,395,849
NET ASSETS		<b>7,036,471</b>	6,194,331
<b>EQUITY</b>			
Retained surpluses		<b>7,036,471</b>	6,194,331
TOTAL EQUITY		<b>7,036,471</b>	6,194,331

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Statement of changes in equity

## For the year ended 30 June 2020

2020	Retained surpluses \$	Total \$
<b>Balance at 1 July 2019</b>	<b>6,194,331</b>	<b>6,194,331</b>
Surplus for the year	<b>842,140</b>	<b>842,140</b>
<b>Balance at 30 June 2020</b>	<b>7,036,471</b>	<b>7,036,471</b>

2019	Retained surpluses \$	Total \$
<b>Balance at 1 July 2018</b>	5,799,275	5,799,275
Surplus for the year	395,056	395,056
<b>Balance at 30 June 2019</b>	6,194,331	6,194,331

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Statement of cash flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		<b>15,971,716</b>	14,629,255
Payments to suppliers and employees		<b>(14,416,312)</b>	(14,211,303)
Interest received		<b>23,229</b>	20,804
Interest paid		<b>(7,753)</b>	(14,477)
Right-of-use interest paid		<b>(12,255)</b>	-
Net cash provided by/(used in) operating activities	23	<b>1,558,625</b>	424,279
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		<b>186,756</b>	19,722
Purchase of property, plant and equipment		<b>(2,664,256)</b>	(307,226)
Purchase of investments		<b>(22,500)</b>	(25,000)
Net cash provided by/(used in) investing activities		<b>(2,500,000)</b>	(312,504)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net proceeds from borrowings		<b>1,978,379</b>	-
Repayment of borrowings		-	(152,770)
Payment of lease liabilities		<b>(215,768)</b>	-
Net cash provided by/(used in) financing activities		<b>1,762,611</b>	(152,770)
Net increase/(decrease) in cash and cash equivalents held		<b>821,236</b>	(40,995)
Cash and cash equivalents at beginning of year		<b>2,800,887</b>	2,841,882
Cash and cash equivalents at end of financial year	8	<b>3,622,123</b>	2,800,887

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Notes to the financial statements

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## For the year ended 30 June 2020

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

The functional and presentation currency of the Company is Australian dollars.

The financial report was authorised for issue by those charged with governance on 28 September 2020. Comparatives are consistent with prior years, unless otherwise stated.

## 1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

## 2 Change in accounting policy

### Leases - Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

The impact of adopting AASB 16 is described below:

### Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

### *Practical expedients used on transition*

**AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:**

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments
- a single discount rate was applied to all leases with similar characteristics
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

## 3 Summary of significant accounting policies

### (a) Revenue and other income

#### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Company are:

### **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 towards 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 becomes 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 and charges, and fundraising are recognised when received or receivable.

### **Donations**

Donations are recognised at the time the pledge is made and right to receipt is established.

### **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.

### **Interest revenue**

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.

### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

## **(b) Income tax**

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

## **(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 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 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) Volunteer services**

No amounts are included in the financial statements for services donated by volunteers.

#### **(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.

##### **Land and buildings**

Land and buildings are measured using the cost model.

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets' useful life to the Company, commencing when the asset is ready for use.

Fixed asset class	Depreciation rate
Freehold land	NIL
Buildings	40 years
Plant and equipment	3-7 years
Motor vehicles	4-7 years
Office equipment	3-5 years
Improvements	2-10 years

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

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.

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.

#### **(f) Impairment of non-financial assets**

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets. An impairment loss is recognised from the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

## **(g) Investment 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.

## **(h) Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### ***Classification***

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### ***Amortised cost***

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### ***Financial assets through profit or loss***

All financial assets not classified as measured at amortised cost are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

#### ***Impairment of financial assets***

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable

information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### ***Trade receivables***

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

#### **Financial assets**

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### ***Other financial assets measured at amortised cost***

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

### **(i) 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, have original maturity of less than three months and which are subject to an insignificant risk of change in value.

### **(j) Leases**

#### ***For comparative year***

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### ***For current year***

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### ***Exceptions to lease accounting***

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## **(k) 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.

### **Portable long service leave**

From 1 January 2020 the Company has registered for the Victorian Portable Long Service Benefit Scheme (the Scheme). The scheme enables eligible workers to accumulate paid long service leave entitlements for long service within a sector (including community services), irrespective of their employer. For eligible employees, the Company will submit a quarterly return and pay the required levy. On the effective date of the Scheme's commencement, the accumulated entitlements owing to all eligible employees have been frozen. The benefits will remain an obligation of the Company until the employee reaches eligibility, then reduce as the entitlement is consumed. From the date of commencement into the Scheme, no further long service leave will be accrued by the Company for eligible employees, as the future entitlements will now be funded through the Scheme.

### **(l) 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.

### **(m) Economic dependence**

Mambourin Enterprises Limited derives the majority of its revenue used to operate the business from funding provided through the National Disability Insurance Scheme (NDIS) which is dependent on participants in the NDIS exercising choice and control, and continuing to direct their funds to the Company. The Company must continue to be registered as a provider with the National Disability Insurance Agency (NDIA) and meet the obligations including business rules and quality standards as set by the NDIA and the NDIS Quality and Safeguards Commission. At the date of this report, the directors have no reason to believe the customers will not continue to support the Company and believe the Company will continue to meet its obligations; however, the board recognises the demand driven nature of NDIS funding and the associated risks and opportunities.

### **(n) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## **4 Critical accounting estimates and judgements**

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### **Key estimates - 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.

### **Key estimates - employee benefits provision**

As described in **Note 3**, 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.

#### **Key estimates - 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).

#### **Key judgements - Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently, as a result of the Coronavirus (COVID-19) pandemic.

## **5 Revenue and other income**

### **Revenue from continuing operations**

	2020 \$	2019 \$
Sales	<b>1,228,265</b>	1,124,502
Fees and charges	<b>495,458</b>	1,124,101
Grants	<b>11,335,997</b>	11,273,259
Donations	<b>4,521</b>	5,879
Fundraising	<b>14,959</b>	16,129
Interest	<b>23,229</b>	20,804
Gain on sale of assets	<b>169,626</b>	-
JobKeeper subsidy	<b>1,900,500</b>	-
Other income	<b>398,293</b>	137,548
<b>Total revenue</b>	<b>15,570,848</b>	13,702,222

## 6 Result for the year

The result for the year includes the following specific expenses:

	Note	2020 \$	2019 \$
Employee benefit expenses		<b>10,948,420</b>	9,387,392
Depreciation expenses	12	<b>446,677</b>	556,536
Amortisation of ROU	13	<b>200,700</b>	-
Superannuation contributions		<b>823,735</b>	809,429

## 7 Administration expenses

	2020 \$	2019 \$
Contracts/consultants	<b>163,951</b>	105,481
Energy	<b>110,431</b>	95,855
External services	<b>860,183</b>	840,425
Insurance	<b>26,772</b>	13,249
	<b>1,161,337</b>	1,055,010

## 8 Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	<b>3,573,305</b>	1,060,221
Short-term deposits	-	1,700,000
Other cash and cash equivalents	<b>48,818</b>	40,666
	<b>3,622,123</b>	2,800,887

## 9 Trade and other receivables

	2020 \$	2019 \$
CURRENT		
Trade receivables	<b>1,105,772</b>	816,899
Provision for expected credit loss	<b>(8,612)</b>	(10,459)
<b>Total current trade and other receivables</b>	<b>1,097,160</b>	806,440

## 10 Other financial assets

	2020 \$	2019 \$
Financial assets - shares in Ability X	<b>47,500</b>	25,000

## 11 Other assets

	2020 \$	2019 \$
CURRENT		
Prepayments	<b>95,596</b>	46,402
Security deposits	<b>50,659</b>	59,965
	<b>146,255</b>	106,367

## 12 Property, plant and equipment

	Note	2020 \$	2019 \$
<b>LAND AND BUILDINGS</b>			
Freehold land at cost	(a)	<b>2,142,000</b>	1,342,000
Buildings at cost	(a)	<b>5,499,045</b>	3,914,138
Accumulated depreciation		<b>(1,195,153)</b>	(1,019,828)
Total buildings		<b>4,303,892</b>	2,894,310
Total land and buildings		<b>6,445,892</b>	4,236,310
<b>PLANT AND EQUIPMENT</b>			
Plant and equipment at cost		<b>1,639,223</b>	1,509,065
Accumulated depreciation		<b>(1,234,781)</b>	(1,057,307)
Total plant and equipment		<b>404,442</b>	451,758
Motor vehicles at cost		<b>1,112,051</b>	1,516,891
Accumulated depreciation		<b>(910,450)</b>	(1,353,473)
Total motor vehicles		<b>201,601</b>	163,418
<b>Total property, plant and equipment</b>		<b>7,051,935</b>	4,851,486

### (a) Land and buildings

During the financial year, the Company acquired land and buildings situated in Melton, Victoria for \$2,250,000. This acquisition was funded by debt, as disclosed in *Note 15*.

### (b) Movements in carrying amounts

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

Year ended 30 June 2020					
	Land \$	Buildings	Plant and equipment	Motor vehicles	Total
Balance at the beginning of year	1,342,000	2,894,309	451,758	163,419	4,851,486
Additions	800,000	1,584,908	133,889	145,459	2,664,256
Disposals	-	-	(756)	(16,374)	(17,130)
Depreciation expense	-	(175,325)	(180,449)	(90,903)	(446,677)
<b>Balance at the end of the year</b>	<b>2,142,000</b>	<b>4,303,892</b>	<b>404,442</b>	<b>201,601</b>	<b>7,051,935</b>

## 13 Leases

### Right-of-use assets

	Buildings \$	Total \$
<b>Year ended 30 June 2020</b>		
Additions to right-of-use assets	<b>542,158</b>	542,158
Depreciation charge	<b>(200,700)</b>	(200,700)
<b>Balance at end of year</b>	<b>341,458</b>	341,458

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations.

The Company leases land and buildings at three sites across Melbourne and Bacchus Marsh which are disclosed in accordance with AASB 16, leases at arm's length commercial terms.

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

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

### Company as a lessee

The Company has leases over a range of land and buildings.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

### Terms and conditions of leases

The Company leases land and buildings for their offices and other buildings, the leases are generally between 3 - 5 years and some of the leases include a renewal option to allow the Company to renew for up to twice the non-cancellable lease term.

The leases contain fixed annual pricing mechanisms at each anniversary of the lease inception.

### Concessionary leases

The Company has elected to measure the right of use asset arising from the concessionary leases at cost, which is based on the associated lease liability, as noted at **Note 11 (b)**.

### Extension options

A number of the building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

There are \$488,751 in potential future lease payments which are not included in lease liabilities as the Company has assessed that the exercise of the option is not reasonably certain.

## 14 Trade and other payables

	Note	2020 \$	2019 \$
<b>CURRENT</b>			
Trade payables		<b>123,793</b>	210,095
GST payable	(a)	<b>248,390</b>	137,775
Employee benefits		<b>58,569</b>	245,380
		<b>430,752</b>	593,250

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### (a) GST payable

GST payable includes a provision totalling \$177,610 in relation to self assessed under remittance for the period 2016-2019. This relates to the GST treatment of revenue collected from specific activities and associated travel of activity participants. Please refer to **Note 21** which references a further balance for which the Company intends to seek a private ruling from the ATO based on the management's belief that the associated revenue is GST free.

## 15 Employee provisions

	2020 \$	2019 \$
<b>CURRENT</b>		
Annual leave	<b>965,982</b>	708,762
Long service leave	<b>563,560</b>	594,072
	<b>1,529,542</b>	1,302,834
<b>NON-CURRENT</b>		
Long service leave	<b>118,393</b>	90,104

### Portable long service leave

From 1 January 2020, the Company registered for the Long Service Leave Portability Scheme per the Long Service Benefits Portability Act 2018, as an employer in the community services sector. As such all obligations to qualifying staff are held as at the balances accounted for at 31 December 2019, and adjusted accordingly with obligations relating to the scheme for qualifying employees paid and expensed from 1 January 2020.

## 16 Other financial liabilities

	2020 \$	2019 \$
Amounts received in advance	<b>529,690</b>	68,167

## 17 Backpay provisions

	2020 \$	2019 \$
Backpay provision	<b>155,833</b>	140,514

## 18 Borrowings

	2020 \$	2019 \$
<b>NON-CURRENT</b>		
Secured mortgages	<b>2,179,360</b>	200,980

Refer to **Note 11** for details of the acquisition and associated mortgage entered into, to fund the property.

## 19 Members' guarantee

The Company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 40 (2019: 46).

## 20 Key management personnel remuneration

The total remuneration paid to key management personnel of the Company is \$ 771,334 (2019: \$ 918,239).

## 21 Contingencies

### Contingent liabilities

Mambourin Enterprises Limited had the following contingent liabilities at the end of the reporting period:

As detailed at **Note 14**, a liability has been recognised within the financial statements totalling \$177,610 as a result of an estimated shortfall of historical GST in respect to Activities and Transport services provided to clients. In addition to this provision, there is a possibility under Section 38-38 of the GST legislation that an additional \$93,468, along with associated penalties and interest could be sought by the Commissioner of Taxation. The intention of management is to seek a private ruling on this matter based on external advice that this component is arguably GST free. As such, no provision has been recognised at 30 June 2020.

The outbreak and spread of Coronavirus (COVID-19) has disrupted many businesses, both domestically and globally. As a result of this pandemic, there are further potential accounting, financial reporting and commercial implications that management continue to monitor and consider. The directors believe the Company remains financially resilient but notes that they did qualify for subsidies such as JobKeeper and Cash Flow Boost (refer to **Note 5**). Management acknowledge and are cognisant of further potential detrimental impacts and continue to manage these as facts and circumstances are known.

	2020 \$	2019 \$
<b>Contingent liabilities</b>		
Bank guarantees	<b>44,265</b>	57,965
Additional GST shortfall	<b>93,468</b>	-
	<b>137,733</b>	57,965

The bank guarantees provided by the Company are in relation to security deposits for property leases.

## 22 Related parties

### (a) The Company's main related parties are as follows:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company are considered key management personnel.

For details on the remuneration relating to key management personnel, refer to *Note 20*.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## 23 Cash flow information

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

	2020 \$	2019 \$
<b>Profit for the year</b>	<b>842,140</b>	<b>395,056</b>
<b>Cash flows excluded from profit attributable to operating activities</b>		
<b>Non-cash flows in profit:</b>		
amortisation of right-of-use assets	<b>200,700</b>	-
depreciation	<b>446,677</b>	556,536
net gain on disposal of property, plant and equipment	<b>(169,625)</b>	67,449
<b>Changes in assets and liabilities:</b>		
(increase)/decrease in trade and other receivables	<b>(290,720)</b>	(483,697)
(increase)/decrease in other assets	<b>(39,888)</b>	21,817
increase/(decrease) in amounts received in advance	<b>461,523</b>	59,769
increase/(decrease) in trade and other payables	<b>(162,498)</b>	(449,592)
increase/(decrease) in employee benefits	<b>270,316</b>	256,941
Cashflows from operations	<b>1,558,625</b>	424,279

## 24 Events after the end of the reporting period

The financial report was authorised for issue on 28 September 2020 by those charged with governance.

Except for as detailed at **Note 21**, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## 25 Statutory information

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

159 Derrimut Drive  
Derrimut VIC 3026

# Directors' declaration

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## In the directors' opinion:

- the attached financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012, The Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profit Commission Regulation 2013 and other mandatory professional reporting requirements.
- 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.
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date.

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

**Paul Larcher**

**Date: 28 September 2020**

# Independent auditor's report

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## Moore Australia Audit (VIC)

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Melbourne Victoria 3000

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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 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the responsible entities 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 2020 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.

Moore Australia Audit (VIC) - ABN 17 847 721 257.

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## 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 2020, 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**MOORE AUSTRALIA AUDIT (VIC)**



**RYAN LEEMON**

**Partner  
Audit and Assurance**

Melbourne, Victoria  
30 September 2020

# Acknowledgements

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Mambourin is grateful for support received in the form of donations, grants and funding, partnerships with the community, and contributions from volunteers and our members. We extend our thanks to everyone who provides us with support.

Mambourin acknowledges the financial support of the Victorian and Federal Governments.



Australian Government

## Contact us

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There are many ways to get involved at Mambourin:

-  [receive our newsletter](#)
-  [volunteer](#)
-  [student placement](#)
-  [become a member](#)
-  [donate](#)

To find out more get in touch:

hello@mambourin.org  
03 9731 9200  
mambourin.org



# mambourin

Mambourin Enterprises Ltd

ABN 41 725 993 025 | ACN 159 527 036

[hello@mambourin.org](mailto:hello@mambourin.org)

03 9731 9200

[mambourin.org](http://mambourin.org)

## Head Office and Mambourin Business Solutions (MBS)

159 Derrimut Drive  
Derrimut VIC 3026

## MBS Training Centre

2/135 Derrimut Drive  
Derrimut VIC 3026

## Altona

130 Queen Street  
Altona VIC 3016

## Bacchus Marsh

21-23 Gell Street  
Bacchus Marsh VIC  
3340

## Braybrook

Ravenhall Street  
Braybrook VIC 3019

## Deer Park

Cnr Miles and  
Ballarat Roads  
Deer Park VIC 3023

## Melton

1 Collins Road  
Melton VIC 3337

## Melton (opening early 2021)

20 McKenzie Street  
Melton VIC 3337

## Sunshine

50 Stanford Street  
Sunshine VIC 3020

## Werribee

11 Walls Rd  
Werribee VIC 3030