

The Brook Recovery Empowerment and Development Centre Inc.

Financial Statements

For the Year Ended 30 June 2021

The Brook Recovery Empowerment and Development Centre Inc.

Contents


For the Year Ended 30 June 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of The Brook Recovery Empowerment and Development Centre Inc. for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Jason Croston, FCA
Registered Company Auditor
Brisbane
SRJ Walker Wayland

Dated: 15 November 2021

The Brook Recovery Empowerment and Development Centre Inc.

Statement of Profit or Loss
For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	3	6,583,234	6,797,550
Finance income		1,817	9,330
Other income	3	72,239	118,590
Employee benefits expense		(5,506,961)	(5,340,764)
Other expenses	4	(1,005,072)	(1,130,688)
Surplus/(deficit) for the year		145,257	454,017

The accompanying notes form part of these financial statements.

The Brook Recovery Empowerment and Development Centre Inc.

Statement of Financial Position

30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,267,551	2,368,309
Trade and other receivables	6	512,241	85,087
Other assets	7	63,819	74,421
TOTAL CURRENT ASSETS		<u>2,843,611</u>	<u>2,527,817</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>2,843,611</u>	<u>2,527,817</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	368,942	319,404
Employee benefits	10	336,587	294,401
Other liabilities	9	40,334	-
TOTAL CURRENT LIABILITIES		<u>745,863</u>	<u>613,805</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	69,991	31,513
TOTAL NON-CURRENT LIABILITIES		<u>69,991</u>	<u>31,513</u>
TOTAL LIABILITIES		<u>815,854</u>	<u>645,318</u>
NET ASSETS		<u>2,027,757</u>	<u>1,882,499</u>
EQUITY			
Retained earnings		<u>2,027,757</u>	<u>1,882,499</u>
TOTAL EQUITY		<u>2,027,757</u>	<u>1,882,499</u>

The accompanying notes form part of these financial statements.

The Brook Recovery Empowerment and Development Centre Inc.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Accumulated Surplus	Total
	\$	\$
Opening balance at 1 July 2020	1,882,499	1,882,499
Surplus/(deficit) for the year	145,257	145,257
Opening balance at 30 June 2021	<u>2,027,757</u>	<u>2,027,757</u>

2020

	Accumulated Surplus	Total
	\$	\$
Opening balance at 1 July 2019	1,428,482	1,428,482
Surplus/(deficit) for the year	454,017	454,017
Opening balance at 30 June 2020	<u>1,882,499</u>	<u>1,882,499</u>

The Brook Recovery Empowerment and Development Centre Inc.

Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and members	6,228,319	6,902,187
Interest received	1,817	9,330
Payments to suppliers and employees	<u>(6,330,894)</u>	<u>(6,234,623)</u>
Net cash (used in)/provided by operating activities	13 <u>(100,758)</u>	676,894
Net increase/(decrease) in cash and cash equivalents held	(100,758)	676,894
Cash and cash equivalents at beginning of year	<u>2,368,309</u>	1,691,415
Cash and cash equivalents at end of financial year	5 <u><u>2,267,551</u></u>	<u>2,368,309</u>

The accompanying notes form part of these financial statements.

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers The Brook Recovery Empowerment and Development Centre Inc. as an individual entity. The Brook Recovery Empowerment and Development Centre Inc. is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of The Brook Recovery Empowerment and Development Centre 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*.

The material accounting policies adopted in the special purpose financial statements are set out in notes 2 (a) - (g) and indicate how the recognition and measurement requirements in Australian Accounting Standards have not been complied with.

2 Summary of Significant Accounting Policies

(a) 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).

Donations

Donations and bequests are recognised as revenue when received.

Grant revenue

Grant revenue is recognised in the statement of profit or loss 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.

The Brook Recovery Empowerment and Development Centre 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(b) Income Tax

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

(c) 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.

(d) Leases

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

The method of not recognising operating leases on the statement of financial position does not comply with *AASB 16 Leases*.

(e) 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.

Long-term provisions recognised for long service leave have been measured on the undiscounted basis. The probability that an employee may satisfy vesting requirements has not been taken into account. This treatment of long service leave entitlements does not comply with *AASB 119 Employee Benefits*.

Long service leave, being an employee benefit expected to be settled more than one year after the end of the reporting period, has been measured in accordance with *The Community Services Industry (Portable Long Service Leave) Act 2020* which came into effect as at 1 January 2021.

A provision for personal leave has been recognised which does not comply with *AASB 119 Employee Benefits*.

(f) Economic dependence

The Brook Recovery Empowerment and Development Centre Inc. is dependent on the Government for the majority of its revenue used to operate the organisation. At the date of this report the committee has no reason to believe that the Government will not continue to support The Brook Recovery Empowerment and Development Centre Inc.

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) 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 payables 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.

3 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
REVENUE		
Dialogue conference income	29,350	406
Donation income	7,653	8,500
Grant income	3,173,624	3,020,531
NDIS income	3,344,710	3,694,064
Training income	27,896	74,049
Total revenue	6,583,234	6,797,550

Other Income

	2021	2020
	\$	\$
Other Income		
ATO cashflow boost	37,500	62,500
Other income	34,739	56,090
Total other income	72,239	118,590

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
OTHER EXPENSES		
Accounting and audit fees	17,298	14,899
Computer expenses	152,984	140,526
Consulting fees	46,607	42,573
Insurance	27,536	23,433
Labour hire	77,279	91,611
Motor vehicle expenses	193,003	202,865
Office equipment	38,182	56,313
Printing and stationery	38,260	20,499
Program expenses	108,745	114,385
Rent	97,656	93,338
Repairs and maintenance	39,285	73,983
SIL set-up costs	8,785	32,317
Staff training	39,440	70,469
Sundry expenses	26,379	14,322
Telephone and internet	59,170	57,104
Training expenses	14,485	30,708
Travel expenses	432	34,891
Utilities and rates	19,546	16,453
Total other expenses	1,005,072	1,130,688

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	900	900
Cash at bank	2,266,651	2,367,409
Total cash and cash equivalents	2,267,551	2,368,309

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	512,241	85,087
Total current trade and other receivables	512,241	85,087

7 Other Assets

	2021	2020
	\$	\$
CURRENT		
Accrued income	54,801	74,421
Prepayments	9,018	-
Total current other assets	63,819	74,421

8 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	68,062	27,995
GST and PAYG payable	22,630	5,200
Superannuation payable	6,638	3,118
Salary sacrifice payable	271,613	283,091
Total current trade and other payables	368,942	319,404

9 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Unexpended grants	40,334	-
Total current other liabilities	40,334	-

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Annual leave	278,805	257,165
Long service leave	36,176	21,361
Sick leave	21,606	15,875
Total current employee benefits	336,587	294,401
	2021	2020
	\$	\$
NON-CURRENT		
Long service leave	69,991	31,513
Total non-current employee benefits	69,991	31,513

11 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2021 (30 June 2020:None).

12 Events Occurring After the Reporting Date

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

The Brook Recovery Empowerment and Development Centre Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Cash Flow Information

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

	2021	2020
	\$	\$
Surplus/(deficit) for the year	145,257	454,017
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(427,154)	(13,953)
- (increase)/decrease in other assets	10,602	26,579
- increase/(decrease) in trade and other payables	89,873	84,905
- increase/(decrease) in provisions	80,664	125,346
Cashflows from operations	<u>(100,758)</u>	<u>676,894</u>

14 Statutory Information

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

The Brook Recovery Empowerment and Development Centre Inc.
88 Norton Street
UPPER MT GRAVATT QLD 4122

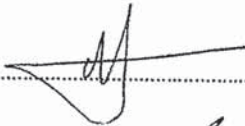
The Brook Recovery Empowerment and Development Centre Inc.

Statement by Members of the Committee

The Member's of Committee declare that in the Member's of Committee 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*.

President 

Treasurer 

Dated this 11th day of NOVEMBER 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of The Brook Recovery Empowerment and Development Centre Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Brook Recovery Empowerment and Development Centre Inc., which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies, and the Statement by the Members of the Committee.

In our opinion the financial report of The Brook Recovery Empowerment and Development Centre Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. 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 for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The management's responsibility also includes such internal control as the officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Management are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting, from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Association.

- Conclude on the appropriateness of Association's use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Jason Croston
SRJ Walker Wayland
Director

Date: 15 November 2021

Address: Unit 3, 27 South Pine Road, BRENDALE QLD 4500