

SCARF INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

CONTENTS

1	Statement of Financial Position
2	Income and Expenditure Statement
3 – 4	Notes to the Financial Statement
5	Statement by Members of the Committee
6 – 7	Independent Auditor's Report to the Members

SCARF INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	99,560	90,637
JobKeeper Receivable		30,000	-
Receivables		35,626	53,713
Rental Bond		-	334
Inventory		2,675	3,941
Prepayments		4,809	4,818
TOTAL CURRENT ASSETS		<u>172,670</u>	<u>153,108</u>
NON-CURRENT ASSETS			
Motor Vehicles – at Cost		-	4,545
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>4,889</u>
TOTAL ASSETS		<u>172,670</u>	<u>157,998</u>
CURRENT LIABILITIES			
Payables		273	3,345
Superannuation Payable		4,016	6,602
GST		7,850	3,624
PAYG Withholding Payables		6,730	6,832
Provision for Annual Leave		21,355	-
Grants in Advance		91,765	137,108
TOTAL CURRENT LIABILITIES		<u>131,989</u>	<u>157,510</u>
TOTAL LIABILITIES		<u>131,989</u>	<u>157,510</u>
NET ASSETS		<u>\$ 40,681</u>	<u>\$ 487</u>
MEMBER'S FUNDS			
Accumulated Surplus/(Deficit)		40,681	487
TOTAL MEMBER'S FUNDS		<u>\$ 40,681</u>	<u>\$ 487</u>

The accompanying notes form part of these financial statements.



SCARF INCORPORATED

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR 30 JUNE 2020**

	2020 \$	2019 \$
INCOME		
Community Fundraising	9,206	41,365
Donations	93,831	60,236
Fees for Service	54,691	4,310
Grant	318,913	331,007
Interest Income	306	834
Membership Fees	875	964
Merchandise	1,911	2,151
Program Contributions	4,838	5,631
Sponsorship	-	1,316
TOTAL INCOME	<u>484,571</u>	<u>447,823</u>
EXPENDITURE		
Accounting and Audit Fees	1,144	9,934
Annual Leave Provision	6,407	-
Bank Fee and Charges	148	1,750
Computer Software and Supplies	2,490	1,711
Communication and Outreach	12	641
Cost of Sales Merchandise	2,896	1,451
Depreciation	4,545	-
Equipment and Furniture Hire	161	76
Equipment and Furniture > \$300	499	1,386
Gifts	1,034	571
Insurance	7,035	8,320
Legal and Professional Fees	47	-
Meeting Expenses	732	36
Merchant Fees	3,797	4,753
Postage	122	245
Printing and Stationery	2,335	2,462
Program Expenses	346,849	383,802
Recruitment	200	548
Rent - Office	23,155	29,773
Staff and HR Costs	1,939	-
Subscriptions, Regos and Memberships	1,157	3,150
Superannuation	9,216	6,105
Telephone	1,786	959
Wages and Salaries	97,006	88,300
Websites Development and Maintenance	314	576
TOTAL EXPENDITURE	<u>515,026</u>	<u>546,461</u>
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	(30,455)	(98,638)
Cashflow Boost and JobKeeper	70,649	-
Income Tax Revenue relating to ordinary Activities	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE OF THE ASSOCIATION	<u>40,194</u>	<u>(98,638)</u>
OPENING RETAINED PROFITS	487	99,126
Net profit/(Loss) attributable to the association	40,194	(98,638)
CLOSING RETAINED PROFITS	<u>\$ 40,681</u>	<u>\$ 487</u>

The accompanying notes form part of these financial statements.

SCARF INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2020

Note 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act New South Wales. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Revenue Recognition

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

Donations

Donations are recognised at the time the pledge is made.

Grants

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

Interest

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

Other Revenue

Other revenue is recognised when it is received

Income Tax

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

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, Plant and Equipment

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

Employee benefits

Wages and salaries and annual leave.

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

SCARF INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (Continued)

Note 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goods and Services Tax ('GST') and other similar taxes

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

	2020	2019
	\$	\$
Note 2 CASH AND CASH EQUIVALENTS		
IMB – Everyday	84,795	55,070
IMB – Savings	9,071	12,363
IMB – SCARF Debit Card	5,418	22,912
Petty Cash	276	293
	<u>\$ 99,560</u>	<u>\$ 90,637</u>

SCARF INCORPORATED

**STATEMENT BY MEMBERS OF COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2020**

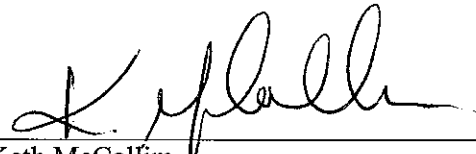
The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

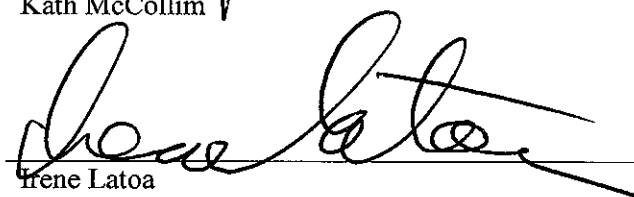
In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position and Notes to the Financial Statements:

1. Presents fairly the financial position of SCARF Incorporated as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Chairperson 
Kath McCollim

Treasurer 
Irene Latoa

Dated this Tuesday 10 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCARF INCORPORATED

We have audited the accompanying financial report, being a general purpose financial report, of Scarf Incorporated which comprises the statement of financial position as at 30 June 2020, the income and expenditure statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's Responsibility for the Financial Report

The committee of Scarf Incorporated is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporations Act (New South Wales) and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report of Scarf Incorporated presents fairly, in all material respects Scarf Incorporated as at 30 June 2020 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporated Act New South Wales, and Division 60 of the Australian Charities and not-for-profit Commissions Act 2012

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Scarf Incorporated to meet the requirements of the Associations Incorporations Act (New South Wales). As a result, the financial report may not be suitable for another purpose.

Auditor's Signature:



KH ACCOUNTING & FINANCIAL GROUP
Registered Auditor
Chartered Accountant

Auditor's Address:

Suite 4, 29 Princes Highway
FAIRY MEADOW NSW 2519

Dated this Tuesday 10 November 2020