

**MINIMBAH CHALLENGE  
INCORPORATED**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2021**

**MINIMBAH CHALLENGE INCORPORATED  
ABN 11 850 625 970**

**Financial Report for the Year Ended 30 June 2021**

**DIRECTORS' REPORT**

Your directors present this report on Minimbah Challenge Incorporated (the "Association") for the financial year ended 30 June 2021.

**Directors**

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

David Peachey  
Michael Welch  
Danny Hui  
Anthony Colaco  
Jessica Williamson (Appointed 24/05/2021)  
Elaine Abery (Retired 24/10/2020)  
Michael Nowland (Retired 24/10/2020)

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

**Principal Activities**

The principal activities of the Association during the year were the provision of support services to people with an intellectual disability, including day programs, fundraising and engagement with the community.

**Meeting of Directors**

During the financial year, nine (9) meetings of directors were held. Meeting attendance by each member was as follows:

	Number eligible to attend	Number attended
David Peachey	9	9
Michael Welch	9	9
Danny Hui	9	9
Anthony Colaco	9	9
Jessica Williamson	1	1
Elaine Abery	3	3
Michael Nowland	2	1

**MINIMBAH CHALLENGE INCORPORATED**  
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**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2021 has been received and is attached.

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

  
Directors David Peachey  
Director

  
Michael Welch  
Director

Dated this 27 SEPT 2021

**MINIMBAH CHALLENGE INCORPORATED**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Note</b>	<b>2021</b> \$	<b>2020</b> \$
Revenue from ordinary activities	2	5,490,400	4,985,898
Expenses from ordinary activities	3	<u>5,266,616</u>	<u>4,371,316</u>
Surplus/(deficit) before income tax		223,784	614,582
Income tax expense		<u>-</u>	<u>-</u>
Surplus/(deficit) for the year		223,784	614,582
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><b>223,784</b></u>	<u><b>614,582</b></u>

Additional information:

The Covid-19 pandemic once again significantly impacted the annual financial results. Minimbah continued to receive income from the Australian Government JobKeeper subsidy (ceasing January 2021), recognising the decrease in NDIS income from a substantial decline in client attendance due to the pandemic, together with the need to maintain wages support for staff throughout the term of the Covid-19 pandemic.

The final Net Result for the year primarily represents the receipt of NDIS Temporary Transformation (TTP) income from the NDIS, for which expenditure is planned to be undertaken in the 2021-2022 financial year. The TTP income for the 2020-2021 financial year amounted to \$209,104. The Net Result also includes a non-recurrent NSW Community Partnership Building grant of \$25,000.

**MINIMBAH CHALLENGE INCORPORATED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		115,553	141,147
Investments	4	1,879,187	1,808,534
Trade and Other Receivables	5	362,909	471,841
Other Assets	6	58,321	56,413
<b>TOTAL CURRENT ASSETS</b>		<b><u>2,415,970</u></b>	<b><u>2,477,935</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,690,139	1,819,055
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>1,690,139</u></b>	<b><u>1,819,055</u></b>
<b>TOTAL ASSETS</b>		<b><u>4,106,109</u></b>	<b><u>4,296,990</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		167,120	611,527
Short-term provisions		223,634	195,458
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>390,754</u></b>	<b><u>806,985</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions		155,986	154,420
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>155,986</u></b>	<b><u>154,420</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>546,740</u></b>	<b><u>961,405</u></b>
<b>NET ASSETS</b>		<b><u>3,559,369</u></b>	<b><u>3,335,585</u></b>
<b>MEMBERS' FUND</b>	8	<b><u>3,559,369</u></b>	<b><u>3,335,585</u></b>

MINIMBAH CHALLENGE INCORPORATED  
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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
<b>Accumulated Members' Fund</b>		
Balance at the beginning of the year	3,335,585	2,721,003
Prior year adjustment	-	-
Amount credited directly into Equity	-	-
Profit/(Loss) attributable to the entity	<u>223,784</u>	<u>614,582</u>
<b>Balance at the end of the year</b>	<b><u>3,559,369</u></b>	<b><u>3,335,585</u></b>

**MINIMBAH CHALLENGE INCORPORATED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from clients and other receipts		5,598,920	4,900,525
Interest received		687	3,952
Payments to suppliers and employees		(4,851,771)	(3,792,541)
<b>Net cash from/ (used in) operating activities</b>		<b><u>747,836</u></b>	<b><u>1,111,936</u></b>
<b>Cash Flow From Investing Activities</b>			
Investment in Cash Reserve Account		(70,930)	(1,264,253)
Redemption of term deposits			300,000
Purchase of property, plant & equipment		(702,500)	(201,776)
<b>Net cash used in investing activities</b>		<b><u>(773,430)</u></b>	<b><u>(1,166,029)</u></b>
<b>Cash Flow From Financing Activities</b>			
<b>Net cash used in financing activities</b>		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		(25,594)	(54,093)
<b>Cash at the beginning of the financial year</b>		<b><u>141,147</u></b>	<b><u>195,240</u></b>
<b>Cash at the end of the financial year</b>		<b><u>115,553</u></b>	<b><u>141,147</u></b>

**MINIMBAH CHALLENGE INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounts have been prepared in accordance with Australian Accounting Standards and on the basis of historical costs. The financial statements are general-purpose financial statements. The following is a summary of the material accounting policies:

**a. Fixed Assets**

Fixed assets are included at cost and are depreciated on a streamline value basis over the estimated useful life of the assets. Estimated useful lives are as follows:

Building and building improvement	40 years
Motor vehicles	6.67 years
Plant and equipment	7 years
Office furniture	10 years
Computers	2.50 years

Assets with cost below \$1,000 are immediately written off unless it is part of a set. Several new assets totalling \$685,599 were immediately fully depreciated in accordance with the temporary measures introduced by the Australian Taxation Office to provide assistance to eligible businesses during the Covid-19 pandemic.

**b. Employee Benefits and Long Service Leave**

Provision is made for accrued liabilities for annual leave. Long service leave is provided for employees with more than five years of service.

**c. Income Tax**

Minimbah Challenge Incorporated is exempt from income tax under S23 (e) of the Income Tax Assessment Act as a registered charitable organisation.

**NOTE 2: REVENUE**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
NDIS income	4,233,002	4,226,479
Fees	110,264	114,973
Government subsidy - recurring	63,055	40,566
Government subsidy - non recurring	950,050	494,500
Fundraising and donations	1,997	6,050
Interest income	687	3,952
Other income	131,345	99,378
<b>Total revenue</b>	<b><u>5,490,400</u></b>	<b><u>4,985,898</u></b>



**MINIMBAH CHALLENGE INCORPORATED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 3: EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Advertising/staff	3,346	-
Audit fees	7,200	5,400
Bad debts and doubtful debts	-	70,000
Cleaning	60,552	62,617
Consultancy fees	3,890	41,500
Computer expenses	40,679	52,738
Depreciation	829,274	104,958
Education and recreation program expenses	82,682	58,082
Gardening	2,937	16,723
Insurance	187,455	137,827
Lighting and power	10,411	12,334
Motor vehicles	32,091	35,119
NDIS set up costs	7,040	13,514
Printing, postage and telephone	34,107	30,873
Rates	259	389
Repairs and maintenance	35,198	20,246
Salaries, wages and employee benefits	3,866,552	3,633,599
Staff training	2,844	14,048
Other	60,099	61,349
<b>Total expenses</b>	<b><u>5,266,616</u></b>	<b><u>4,371,316</u></b>

**NOTE 4: INVESTMENTS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Westpac Cash Reserves	1,876,845	1,805,915
IAG shares	2,342	2,619
<b>Total investments</b>	<b><u>1,879,187</u></b>	<b><u>1,808,534</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 5: RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	85,956	116,775
Provision for doubtful debts	(66,379)	(70,245)
	<u>19,577</u>	<u>46,530</u>
JobKeeper subsidy and Cash boost receivable	-	156,500
Other receivables	343,332	268,811
<b>Total receivables</b>	<b><u>362,909</u></b>	<b><u>471,841</u></b>

**NOTE 6: OTHER ASSETS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	58,321	56,413
<b>Total other assets</b>	<b><u>58,321</u></b>	<b><u>56,413</u></b>

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Computers at cost	82,352	72,321
Less accumulated depreciation	(50,538)	(27,763)
	<u>31,814</u>	<u>44,558</u>
Motor vehicles at cost	626,383	364,279
Less accumulated depreciation	(543,887)	(264,163)
	<u>82,497</u>	<u>100,116</u>
Plant and equipment at cost	225,776	171,460
Less accumulated depreciation	(128,880)	(44,236)
	<u>96,896</u>	<u>127,224</u>
Office furniture and equipment at cost	97,126	94,262
Less accumulated depreciation	(58,242)	(44,647)
	<u>38,884</u>	<u>49,615</u>
Land and buildings at cost	2,465,713	2,299,733
Less accumulated depreciation	(1,025,664)	(802,191)
	<u>1,440,049</u>	<u>1,497,542</u>

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	<b>2021</b>	<b>2020</b>
	\$	\$
Total property, plant and equipment at cost	3,497,350	3,002,055
Less accumulated depreciation	<u>(1,807,211)</u>	<u>(1,183,000)</u>
<b>Net book value</b>	<b><u>1,690,139</u></b>	<b><u>1,819,055</u></b>

Movements in the asset balances during the year were:

<b>Property</b>		
	<b>2021</b>	<b>2020</b>
	\$	\$
Opening balance	1,497,542	1,555,035
Purchases during the year	165,980	-
Less		
Disposal of assets/write off	-	-
Depreciation charge *	<u>(223,473)</u>	<u>(57,493)</u>
<b>Balance at the end of the year</b>	<b><u>1,440,049</u></b>	<b><u>1,497,542</u></b>

<b>Plant and Equipment</b>		
	<b>2021</b>	<b>2020</b>
	\$	\$
Opening balance	321,513	167,202
Purchases during the year	536,520	201,776
Less		
Disposal of assets/write off	(2,142)	-
Depreciation charge **	<u>(605,801)</u>	<u>(47,465)</u>
<b>Balance at the end of the year</b>	<b><u>250,090</u></b>	<b><u>321,513</u></b>

\* Fully expensed newly acquired assets - \$165,980

\*\* Fully expensed newly acquired assets - \$519,670

**NOTE 8: ACCUMULATED MEMBERS' FUND**

	<b>2021</b>	<b>2020</b>
	\$	\$
Balance at beginning of the year	3,335,585	2,721,003
Prior year adjustment		
Operating surplus/(deficit) for the year	<u>223,784</u>	<u>614,582</u>
<b>Balance at the end of the year</b>	<b><u>3,559,369</u></b>	<b><u>3,335,585</u></b>

**MINIMBAH CHALLENGE INCORPORATED**  
**ABN 11 850 625 970**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 9: FINANCIAL INSTRUMENTS DISCLOSURE**

**a. Interest Rate Risk**

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and liabilities is as follows:

2021	Floating interest rate \$	Contracted to mature in less than 12 months \$	Weighted average rate
Cash	115,553		
Cash reserve	1,879,187		0.03%
<b>Total</b>	<b>1,994,740</b>	-	

2020	Floating interest rate \$	Contracted to mature in less than 12 months \$	Weighted average rate
Cash	141,147		
Cash reserve	1,808,534		0.10%
<b>Total</b>	<b>1,949,681</b>	-	

All items are priced daily.

**b. Liquidity and Cash Flow Risk**

The liquidity risks associated with the need to satisfy normal operating expenditure requirement are mitigated by maintaining sufficient cash and liquid assets to satisfy usual level of demand.

**c. Credit Risk**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The Association has no material credit risk exposure to any individual debtor. Cash and investments were held with Westpac Bank.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 10: RELATED PARTY TRANSACTIONS**

Directors of the Association did not receive any remuneration from the Association. There were no transactions between the Association and any of its directors or with any organisation in which directors held a substantial financial interest.

**NOTE 11: CONTINGENT LIABILITIES**

The government has provided grants and subsidies to assist in the purchase by the Association, and its predecessor, the Epping Branch of Challenge Foundation, of various items included in fixed assets. As such the government has equity in a number of fixed assets which may, on sale or transfer, require repayment of some or all of the proceeds.

The liability is contingent upon an event occurring which will make the liability a probability. Because no such event has occurred, such liability has not been brought to account.

**NOTE 12: EVENTS AFTER THE REPORTING PERIOD**

Minimbah Challenge Inc has been greatly impacted by COVID-19 from its onset in March 2020. Despite client absences being significantly high all throughout the financial year, the Australian Government's JobKeeper and Cash Flow Boost initiatives have assisted in maintaining a financially sound and ongoing viable position for Minimbah.

As at this report's signing date, the Covid-19 pandemic is continuing to have substantial impact on businesses and the NSW economy due to lockdowns and restrictions on certain business in NSW. Due to these restrictions and advice of NSW Health, many clients have temporarily suspended service until restrictions have been lifted. Minimbah has qualified for the NSW Government's support such as the COVID-19 Grant and JobSaver payments for businesses affected by the current lockdowns. Whilst Minimbah remains in receipt of these Australian Government supports during the period of client downturn, the Directors do not consider that Minimbah will be placed at any undue financial risk.

The Directors are committed to ensuring that the management of the operations of the organisation is undertaken in a safe and financially responsible manner throughout this period of global uncertainty. Moreover, to the Directors' knowledge, no further events have occurred, after the reporting date, which are likely to have a material effect on the operations of the organisation.

Minimbah has taken and will continue to take all the necessary steps, in line with the Australian and NSW Government's directives, requirements and recommendations, to ensure the ongoing safety of clients, workers and visitors.

**MINIMBAH CHALLENGE INCORPORATED**  
**ABN 11 850 625 970**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Minimbah Challenge Incorporated:

- 1 a. The accompanying Statement of Profit and Loss and Other Comprehensive Income is drawn up so as to give a true and fair view of the surplus of the Association for the 12 months ended 30<sup>th</sup> June 2021; and
- b. The accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Association as at 30<sup>th</sup> June 2021.
- 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.

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



David Peachey  
Director



Michael Welch  
Director

Dated this 27 SEPT 2021

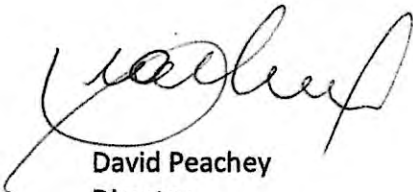
**MINIMBAH CHALLENGE INCORPORATED**  
**ABN 11 850 625 970**

**FUNDRAISING DECLARATION**

In the opinion of the Directors of Minimbah Challenge Incorporated:

- a. The accounts give a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals; and
- b. The Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation; and
- c. The provision of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation; and
- d. The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



David Peachey  
Director



Michael Welch  
Director

Dated this 27 Sept 2021