



**MIGRANT RESOURCE CENTRE OF
NEWCASTLE AND HUNTER REGION
LIMITED**
ABN 72 002 898 759
Financial Report
For The Year Ended 30 June 2006



Cutcher & Neale
MIGRANT RESOURCE CENTRE OF
NEWCASTLE AND HUNTER REGION
LIMITED

Financial Report
For the Year Ended
30 June 2006

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DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2006.

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

Name	Position	Member of Newcastle and Hunter Valley Chinese Association/Financial Advisor	16
Henry Chan	Chairman		
Trudy Mills Evers	Director	Dutch Community Representative	16
William Samanowsky	Director	Ukrainian Community Representative	14
Ivan Klopovic	Director	President of Slovenian Association	10
Alina Kizewater	Director	Representing the Polish Community	11
Zoran Vasiljevic	Director	Bosnian Community Representative	10
Sanja Young	Director	Tartar Community Representative	8
Fr Nicholas Zervas	Director	Greek Community Representative	8
Phillip Ross	Director	Newcastle Police Citizens Youth Club (resigned November 2005)	2
Makur Mauer Marial			
Leeth (appointed December 2005)	Director	Sudanese Community Representative	1
<i>Co-opted Members</i>			
Barbara Gaudry	Director	Newcastle Council Representative (resigned November 2005)	1
Tim Morgan	Director	DIMIA Consultant (resigned November 2005)	1
Ian Johns	Director	DIMIA Consultant (appointed November 2005)	1

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

Principal Activities

The principal activity of the Company is the provision of welfare and information services. There were no significant changes in the nature of these activities during the financial year.

Operating Results

The net result of operations from ordinary activities for the year ended 30 June 2006 was a profit of \$82,689.

Review of Operations

Operating profit of \$82,689 compares with a profit of \$228,456 achieved in 2005.

DIRECTORS' REPORT (cont)

The Company operated successfully throughout the period applying grant funds for the purposes for which they were provided. All obligations and conditions of funding have been met.

Significant Changes in State of Affairs

In the opinion of the Directors, there has been no significant change in the state of affairs of the Company for the financial year.

After Balance Date Events

No 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.

Future Developments

No information is included on the likely developments in the operations of the Company and the expected results of those operations.

Introduction of Australian equivalents to International Financial Reporting Standards

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the company's financial report has been prepared in accordance with those standards. A reconciliation of adjustments arising on the transition to IFRS is included in Note 2 to this report.

Environmental Issues

The Company's operations are subject to environmental regulation under the law of the Commonwealth and State. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Meeting of Directors

During the financial period, 12 meetings of Directors were held. Attendances were:

Henry Chan	12	No. Available
Trudy Mills Evers	12	No. Attended
William Samanowsky	12	
Ivan Klopovic	12	
Alina Kizewater	12	
Zoran Vailisjevic	12	
Sania Young	12	

DIRECTORS' REPORT (cont)

Meeting of Directors (cont)

Fr Nicholas Zervas	12	6
Makur Maur Marial		
Leeth (appointed December 2005)	6	5
Barbara Gaudry (resigned November 2005)	5	2
Phillip Ross (resigned November 2005)	5	3
Tim Morgan (resigned November 2005)	5	0
Ian Johns (appointed November 2005)	7	0

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on page 4 of the financial report.

Indemnifying Officers or Auditor


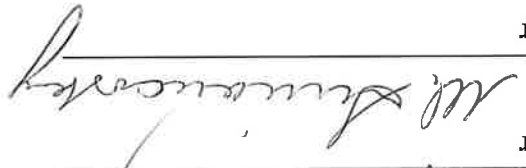
Clause 83 of the Company's Articles of Association states:-

"Every member of the Management Committee, secretary and other office for the time being of the Centre shall be indemnified out of the assets of the Centre against any liability arising out of the execution of the duties of his or her office which is incurred by him or her defending any proceedings, whether civil or criminal, in which judgement is given under the Code in which relief is granted to him or her by the Court in respect of any negligence, default, breach of duty or breach of trust".

Directors' Emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, with a Director, a firm of which a Director is a Member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in the Company's accounts.

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

Director 
 Director 

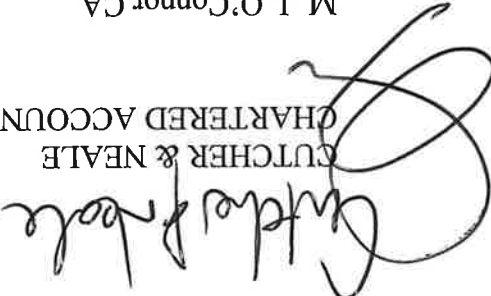
Dated this 15th day of November 2006

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED
ABN 72 002 898 759
(A Company Limited by Guarantee and having no Share Capital)**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.

Dated this 3 day of November 2006
25 Bolton Street
First Floor
NEWCASTLE


CUTCHER & NEALE
CHARTERED ACCOUNTANTS
M. J. O'Connor CA
Partner

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED
ABN 72 002 898 759
(A Company Limited by Guarantee and having no Share Capital)**

Scope

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the Directors' declaration for Migrant Resource Centre of Newcastle and Hunter Region Limited for the year ended 30 June 2006.

The Directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the Members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
 - (b) assessing the reasonableness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.
- While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

INDEPENDENT AUDIT REPORT (cont)
TO THE MEMBERS OF
MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED
ABN 72 002 898 759
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Audit Opinion

In our opinion, financial report of Migrant Resource Centre of Newcastle and Hunter region Limited is in accordance with:

a. the Corporations Act 2001, including:

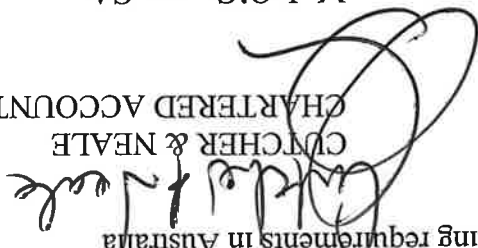
i. giving a true and fair view of the company's financial position as at 30 June 2006 and of their performance for the year ended on that date; and

ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001;

b. other mandatory financial reporting requirements in Australia

Dated this 14 day of November 2006

First Floor
 25 Bolton Street
 NEWCASTLE


 CUTCHER & NEALE
 CHARTERED ACCOUNTANTS

M. J. O'Connor CA
 Partner

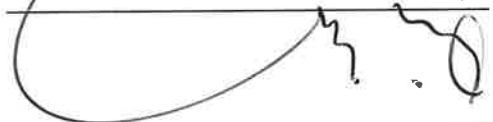
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 23 are in accordance with the Corporations Act 2001;
 - (a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the Company
2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Director



Dated this 15th day of November 2006.

**MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED
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(A Company Limited by Guarantee and having no Share Capital)**

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**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

			2006	2005
	Note		\$	\$
Revenues from ordinary activities	3	2,018,861	1,874,272	
Employee benefits expense		(1,057,197)	(754,508)	
Depreciation and amortisation expense	4	(38,773)	(26,262)	
Administration expenses		(825,847)	(853,801)	
Other expenses from ordinary activities	4	(14,355)	(11,245)	
Profit/(loss) from ordinary activities		82,689	228,456	
Total change in equity		82,689	228,456	

The accompanying notes form part of these financial statements

**MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
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**BALANCE SHEET
AS AT 30 JUNE 2006**

	2006	2005
CURRENT ASSETS		
Cash & cash equivalents	6	970,642
Trade & other receivables	7	143,237
Other current assets	8	7,059
TOTAL CURRENT ASSETS	1,333,271	1,120,938
NON CURRENT ASSETS		
Plant & equipment	9	138,842
TOTAL NON CURRENT ASSETS	138,842	149,395
TOTAL ASSETS	1,472,113	1,270,333
CURRENT LIABILITIES		
Cash & other payables	10	444,580
Short-term provisions	11	194,189
TOTAL CURRENT LIABILITIES	638,769	528,155
NON CURRENT LIABILITIES		
Long-term provisions	11	19,733
TOTAL NON CURRENT LIABILITIES	19,733	11,256
TOTAL LIABILITIES	658,502	539,411
NET ASSETS	813,611	730,922
EQUITY		
Retained earnings	813,611	730,922
TOTAL EQUITY	813,611	730,922

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2006

Asset	Retained	Total
Revaluation	Earnings	
Reserve		
\$	\$	\$
Balance at 1 July 2004	285,617	309,617
24,000		
Retrospective adjustment upon change in accounting policy (24,000)	216,849	192,849
Operating Profit	228,456	228,456
Balance at 30 June 2005	730,922	730,922
Operating Profit	82,689	82,689
Balance at 30 June 2006	813,611	813,611

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,093,854	619,749
Payments to creditors and employees		(1,830,465)	(549,439)
Interest received		42,757	13,425
Net cash provided by (used in) operating activities	17(b)	306,146	83,735
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant & equipment		(48,670)	(70,551)
Proceeds from sale of plant & equipment		16,364	8,636
Net cash provided by (used in) investing activities		(32,306)	(61,915)
Net decrease in cash held		273,840	21,820
Cash at 1 July 2005		970,642	355,200
Cash at 30 June 2006	17(a)	1,244,482	377,020

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006
NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report complies with all Australian equivalents to International Financial Reporting (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Migrant Resource Centre of Newcastle and Hunter Region Limited have prepared financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005.

In accordance with the requirements of AASB:1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Hunter Urban Division of General Practice Limited to be prepared in accordance with Australian Equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has elected to adopt the exemptions available under AASB 1.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Income Tax

The Company is exempt from income tax under Section 50-30 of the Income Tax Assessment Act 1997.

(d) Plant & Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant & equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the estimated useful lives of the improvements.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Average Depreciation rate
Leasehold improvements	14.3 to 20% PC
Equipment	10% to 40% DV
Motor vehicles	22.5%PC

(e) Employee Benefits

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the nominal value.

Long Service Leave

The company's accounting policy is to recognise long service leave entitlements accruing to employees from the commencement of their employment.

Given the nature of the Company's operations, the Directors have decided to recognise this liability immediately to ensure adequate funds are accumulated for the eventual payment of these entitlements. This accounting policy ensures that the costs of these entitlements are recognised directly against the grant for which the employee works.

(f) Cash

Cash and cash equivalents include cash on hand, deposits at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant funds are recognised as income in accordance with the grant terms and conditions. Where monies have been received from funding bodies but monies have not been expended at balance date, this portion has been treated as a liability, unexpended grant monies.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(i) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(j) Administration Fees

Migrant Resource Centre of Newcastle and Hunter Region Limited charge each grant, an administration fee at commercial rates.

(k) Unexpended Grant Monies

The unexpended grant monies (Note 10) shown in the accounts will be brought to account over the term of the contracts or repaid to the funding body as set out in the funding agreements.

(l) Changes to Accounting Policy

Depreciation

This year the Company has applied AASB 116: Property, Plant & Equipment. In prior years under Australian GAAP, the Company did not comply with this standard due to grant funding reporting requirements, consequently the audit report was qualified. The Company has changed its accounting policy in the current year to comply with this standard.

In accordance with AASB 108: Accounting policies, changes in accounting estimates and errors, comparative numbers have been restated. This change in accounting policy has resulted in the asset revaluation reserve being written back to

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

retained earnings (\$62,695), depreciation being charged to the income statement (\$7,856) and assets being transferred from the income statement (\$70,551) to the balance sheet for the 2005 comparative year. There has been no net change in equity due to this adjustment.

Grant Consolidation

This year the company has consolidated all grant contracts into the financial report. In prior years only the core grant of the Company was reported in the financial report, on the basis that the Company was holding grant funds in trust. Due to the change in the funding allocations of the Company, the Directors have changed the accounting policy in the current year to incorporate all grant funding contracted for by the Company into the financial report. Comparatives for 2005 have been restated to consolidate these balances. This change in accounting policy has resulted in an increase in equity (\$323,391) and an increase in operating profit (\$193,237) in the comparative year.

The Cashflow Statement has not been restated for the comparative year, refer to Note 17.

(m) Impairment

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value over its recoverable amount is expensed to the income statement.

NOTE 2 FIRST TIME ADOPTION TO AUSTRALIAN EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial report has been prepared for the first time using Australian equivalents to International Financial Reporting Standards (IFRS). AASB 1: First time adoption of Australian equivalents to International Financial Reporting Standards requires a reconciliation of changes in equity brought about by the transition from GAAP to AIFRS. The directors have determined that there are no changes under AIFRS and consequently no reconciliation has been prepared.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$	\$

NOTE 3 REVENUE

Operating activities	1,671,392	1,417,191
- Grant funds	12,218	18,393
- Administration fee received	42,757	26,930
- Interest received – other persons	250,610	340,374
- Client fees	36,891	68,603
- Other revenue		
Total Revenue	2,013,868	1,871,491

Non-Operating activities	4,993	2,781
- Net profit on disposal of plant & equipment		
	2,018,861	1,874,272

NOTE 4 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

(a) Expenses	37,487	24,672
Depreciation of non current assets		
- plant and equipment		
Amortisation of non current asset	1,286	1,590
- leasehold improvements		
Remuneration of auditor	14,355	11,245
- audit		
Rental expense on operating lease	121,234	98,317
- minimum lease payments		
(b) Revenue and Net Gains		
Net (profit)/loss on disposal of plant and equipment	(4,993)	(2,781)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
NOTE 5 KEY MANAGEMENT PERSONNEL		

Short-term Benefits					Total
Salary & Fees	Super	Bonus	Non-cash Benefits		

2006	Total compensation	\$117,653	\$10,292	-	-	\$127,945
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2005	Total compensation	\$102,455	\$19,349	-	-	\$121,804
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NOTE 6 CASH & CASH EQUIVALENTS

Cash at bank	816,266
Deposits at call	455,851

1,244,482

970,642

NOTE 7 TRADE & OTHER RECEIVABLES

Trade debtors	79,345
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143,237

NOTE 8 OTHER ASSETS

Prepayments	9,444
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7,059

MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION

LIMITED

ABN 72 002 898 759

(A Company Limited by Guarantee and having no Share Capital)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 9 PLANT & EQUIPMENT

	2006	2005
	\$	\$

Leasehold improvements – at cost

36,532

36,532

Less: accumulated amortisation

(36,014)

(34,728)

518

1,804

Equipment – at cost

107,509

109,580

Less: accumulated depreciation

(89,623)

(96,617)

17,886

12,963

Motor vehicles – at cost

165,668

157,299

Less: accumulated depreciation

(45,230)

(22,671)

120,438

134,628

Total Plant & Equipment

138,842

149,395

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 9 PLANT & EQUIPMENT (cont)

Movements in carrying amounts
Movements in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year.

	Leasehold	Equipment	Motor	Total
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	Improvements		Vehicles	
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Balance at the beginning of the year	1,804	12,963	134,628	149,395
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Additions	-	10,035	38,635	48,670
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Disposals	-	(240)	(20,210)	(20,450)
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Depreciation and amortisation expense	(1,286)	(4,872)	(32,615)	(38,773)
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Carrying amount at the end of the year	518	17,886	120,438	138,842
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NOTE 10 PAYABLES

Trade creditors	143,598
Grant Funds Carried Forward	300,982

	108,782
	247,124

NOTE 11 PROVISIONS

Opening balance at 1 July 2005

183,505

Additional provisions

78,363

Amounts used

(47,621)

Unused amounts reversed

(325)

Closing balance at 30 June 2006

213,922

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 11 PROVISIONS (cont)

2006	\$
2005	\$

Analysis of Total Provisions

Current	194,189	172,249
Non current	19,733	11,256

213,922	183,505

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. Long service leave has been calculated based on nominal amounts rather than present values, as the carrying amount is immaterial when compared to net assets.

NOTE 12 COMPANY DETAILS

The registered office and principal place of business is:

8 Chaucer Street
 HAMMILTON NSW 2303

NOTE 13 CAPITAL & LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted
 for but not capitalised in the financial report

Payable

- not longer than 1 year

- longer than 1 year but not longer than 5 years

78,500	137,375
78,500	137,375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 13 CAPITAL & LEASING COMMITMENTS (cont)

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by CPL. An option exists to renew the lease at the end of the three-year term for an additional term of three years.

NOTE 14 MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the articles of the Company state that each Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2006 the number of Members was 68 (2005 – 55)

NOTE 15 SEGMENT REPORTING

The Company operates in the services industry wholly within Australia.

NOTE 16 FINANCIAL INSTRUMENT

(a) Interest Rate Risk

The financial assets and liabilities subject to interest rate risk are:

Bank Accounts

The Company's bank accounts earn interest at the market variable rate.

Short Term Deposits

The Company's term deposit earns interest at a rate of 5.80%.

All other financial assets and financial liabilities are not subject to interest rate risk as they are non-interest bearing.

(b) Credit Risk

The credit risk on financial assets of the Company which have been recognised on the balance sheet, is the carrying amount net of any provision for doubtful debts.

(c) Net Fair Value of Financial Assets and Liabilities

The Company's financial assets and liabilities included in the balance sheet are carried at amounts that approximate net fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006 \$
2005 \$

NOTE 17 CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cashflows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	788,631	222,644
Cash on deposit	455,851	154,376

1,244,482	377,020
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(b) Reconciliation of cash flow from operations

Profit/(loss) from ordinary activities	82,689	35,219
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	38,773	15,369
(Profit) / Loss on sale of fixed assets	4,086	(2,781)
Equipment expensed reported as investing activity	-	70,551

Changes in assets and liabilities:

(Increase) / decrease in receivables	63,892	(12,369)
(Increase) / decrease in prepayments	(2,385)	3,606
Increase / (decrease) in trade creditors and accruals	34,816	(14,009)
Increase / (decrease) in provisions	30,417	24,192
Increase / (decrease) in grant funds carried forward	53,858	(36,043)

Cash flow from operations	306,146	83,735
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In accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, the consolidated Statement of Cashflows has not been restated for the 2005 comparative year as it is not practical to do so.

**COMPILATION REPORT
TO MIGRANT RESOURCE CENTRE OF NEWCASTLE
AND HUNTER REGION LIMITED**

Scope

On the basis of information provided by the Directors of Migrant Resource Centre of Newcastle and Hunter Region Limited, we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the following;

1) Detailed Income Statement

of Migrant Resource Centre of Newcastle and Hunter Region Limited for the period ended 30 June 2006.

The specific purpose for which the above detailed financial reports have been prepared is to provide private information to the Directors and Members. Accounting Standards and UIG Consensus Views have been adopted in the preparation of the above detailed financial reports.

The Directors are solely responsible for the information contained in the above detailed financial reports and have determined that the accounting policies used are consistent with the financial reporting requirements of Migrant Resource Centre of Newcastle and Hunter Region Limited constitution and are appropriate to meet the needs of the Directors and Members of the Company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors have provided into the detailed financial reports. Our statutory audit procedures do not include verification or validation procedures over allocations within the above detailed financial reports and accordingly no assurance or opinion is expressed as to their accuracy.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Company, may suffer arising from any negligence on our part. No person should rely on the above detailed financial reports without having an audit or review conducted upon them.

The above detailed financial reports were prepared for the benefit of the Directors and Members of Migrant Resource Centre of Newcastle and Hunter Region Limited and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

1st Floor
25 Bolton Street
NEWCASTLE

CUTCHER & NEALE
CHARTERED ACCOUNTANTS

M. J. O'Connor

Partner

3 November 2006

**MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED (A COMPANY LIMITED BY GUARANTEE)
ABN 72 002 898 759**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2006	2005
<u>Income</u>	
Administration Fees	18,393
Donations received	6,984
Grants received	1,417,191
Interest received	26,930
Client fees	340,374
Interpreting Fees	-
Profit on Sale	-
Contribution to expenses	560
Skillmax program	4,545
Sundry	59,295
<u>Total Income</u>	<u>1,874,272</u>
<u>Expenses</u>	
Administration fees	72,429
Advertising	14,523
Audit and accounting fees	51,042
Bank charges	299
Catering, function	1,595
Cleaning	5,435
Computer expenses	31,508
Depreciation and amortisation	26,262
Donations	355
Electricity	3,281
Fringe benefits tax	9,582
Grant Contribution	2,718
Insurance	7,686
Interpreting fees	8,947
Library	131
Motor Vehicle	14,823
Management Fees	22,509
	60,698
	16,539
	424
	7,021
	13,845
	1,725
	11,257
	5,795
	1,255
	38,773
	12,345
	10,439
	1,049
	(6)
	43,488
	6,822
	80,016
	<u>2,018,861</u>

**MIGRANT RESOURCE CENTRE OF NEWCASTLE AND HUNTER REGION
LIMITED (A COMPANY LIMITED BY GUARANTEE)
ABN 72 002 898 759**

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**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
Office furniture	8,516	22,781
Office supplies	13,385	26,016
Postage	8,969	2,837
Printing and Stationery	10,396	11,812
Programme Costs	221,661	182,192
Refugee Week	-	473
Rent	121,234	118,653
Repairs and Maintenance	15,348	3,861
Security	416	414
Seminar and training	20,144	15,077
Staff amenities	8,522	3,277
Subscriptions and membership	6,332	1,300
Telephone	52,260	38,443
Transfer to Unexpended Funds	78,071	143,022
Travel	62,935	48,025
Wages	967,180	728,452
Workers Compensation	29,319	26,056
Total Expenses	1,936,172	1,645,816
Operating profit/(loss)	82,689	228,456

