

RMS REFUGEE RESETTLEMENT INCORPORATED

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007***

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

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RMS REFUGEE RESETTLEMENT INCORPORATED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30TH JUNE 2007

The financial statements of RMS Refugee Resettlement Incorporated (hereafter referred to as RMS) have been prepared in accordance with New Zealand Generally Accepted Accounting Principles and The Financial Reporting Act 1993.

RMS provides a wide range of services to assist refugees in the process of resettlement and integration, and endeavours to support and encourage the successful development of former refugee based communities. RMS operates predominantly in New Zealand.

1. BASIS FOR PREPARATION

The financial statements have been prepared on the basis of historical cost.

2. SPECIFIC ACCOUNTING POLICIES

The specific accounting policies used in the preparation of the financial statements are as follows:

2.1 FIXED ASSETS

Fixed assets are recorded on historical cost basis.

Depreciation has been charged on all fixed assets using straight line method at 20% per annum except for computer equipment which is charged a slightly higher rate of (30%-40%). Gains and losses on disposal of fixed assets are included in depreciation.

2.2 TAXATION

RMS is exempt from income tax under the Income Tax Act.

2.3 DONATIONS

Donations are recognised on a cash basis and the amounts recorded in these financial statements represent amounts banked in the name of RMS Refugee Resettlement Incorporated.

2.4 FUNDING CONTRACTS

Government funding contracts income is recognised in the Statement of Financial Performance in the financial year in which it is substantially earned.

RMS REFUGEE RESETTLEMENT INCORPORATED

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)

2.5 FUNDING GRANTS

Funding grants are recognised as income in the financial year in which they are received. However, the benefits may be extended beyond the year and thus be tagged accordingly.

2.6 OPERATING LEASES

Operating lease rental expenses are recognised on a systematic basis that is representative of the time pattern benefit to the agency.

2.7 CHANGE IN ACCOUNTING POLICIES

There have been no changes in the accounting policies, which have been applied on a basis consistent with the previous year.

RMS REFUGEE RESETTLEMENT INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2007

	<i>Note</i>	<i>2007</i>	<i>2006</i>
INCOME			
Appeal Donation			
Donations received		355	6,579
Less cost of promotion		-	(758)
		<u>355</u>	<u>5,821</u>
Funding Contracts			
Ministry of Social Development		414,449	389,359
Department of Labour		1,998,311	1,976,889
Funding Grants			
Charitable Trusts Grants/Government Grants & Other Donations	1/4	373,093	333,164
Other Income			
Interest on investments		41,690	47,931
Porirua New Settlers		-	41,789
Sundry	9	-	29,125
		<u>2,827,899</u>	<u>2,824,078</u>
TOTAL INCOME			
	<i>Note</i>	<i>2007</i>	<i>2006</i>
EXPENDITURE			
Salaries and allowances			
Payments to employees	4	2,133,476	1,717,092
Holiday pay expense		8,783	23,559
Staff recruitment		25,750	12,714
Travel			
Airfares, motor vehicle expenses and accommodation		161,034	154,597
Administration			
Printing, stationery, postage and photocopying		36,155	37,229
General expenses	3	54,486	44,885
Repairs and maintenance/Office equipment	8	40,015	64,367
Training		65,149	94,856
Communications			
Telephones		72,207	55,879
Public relations		17,985	14,082
Occupancy			
Office electricity		11,385	5,956
Rent		198,348	138,788
Other			
Audit fees & Accounting Services	10	7,850	8,992
Professional Services	10	13,796	-
Insurance and Accident Compensation Levy		15,855	15,355
Depreciation	5	48,166	46,207
Allocation of other funding			
- RMS Operations - Salaries	1	-	158,240
- Special Purposes -The Migrating Kitchen Project	1	39,600	-
- Special Purposes – Other	1	72,760	174,924
Refugee related expenses		29,036	22,870
		<u>3,051,835</u>	<u>2,790,592</u>
TOTAL EXPENDITURE & ALLOCATIONS			
SURPLUS (DEFICIT)			
	12	<u>(223,937)</u>	<u>33,486</u>

The Statement of Accounting Policies (pages 4 to 5) and the Notes to the Financial Statements (pages 9 to 15) form an integral part of these Financial Statements.

RMS REFUGEE RESETTLEMENT INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2007

	<i>Note</i>	2007	2006
EQUITY			
Funds Available for Operations			
Accumulated Funds - Operational		576,113	650,534
Accumulated Funds - General		35,343	-
		<u>611,456</u>	<u>650,534</u>
Funds Available for Special Purposes			
Special Purposes Funds		92,916	203,585
		<u>704,372</u>	<u>854,119</u>
TOTAL EQUITY			
Represented by:			
ASSETS			
Current Assets			
Accounts receivable		54,932	95,745
Cash at bank		159,779	34,991
Call deposits		53,718	132,296
Term deposits		550,000	850,000
Total Current Assets		<u>818,429</u>	<u>1,113,032</u>
Non-Current Assets			
Investment in car scheme		16,297	16,297
Fixed assets	5	85,085	83,047
Total Non-Current Assets		<u>101,382</u>	<u>99,344</u>
		<u>919,810</u>	<u>1,212,376</u>
TOTAL ASSETS			
LESS LIABILITIES			
Current Liabilities			
Accounts payable		63,373	37,975
Income received in advance	2	12,500	189,500
Provision for Holiday Pay		139,565	130,782
TOTAL LIABILITIES		<u>215,439</u>	<u>358,257</u>
		<u>704,372</u>	<u>854,119</u>
NET ASSETS			

For and behalf of the Board

.....
(Acting Chief Executive)

.....
(Date)

.....
(Chairperson)

.....
(Date)

The Statement of Accounting Policies (pages 4 to 5) and the Notes to the Financial Statements (pages 9 to 15) form an integral part of these Financial Statements.

RMS REFUGEE RESETTLEMENT INCORPORATED

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	<i>Note</i>	2007	2006
FUNDS AVAILABLE FOR OPERATIONS		2007	2006
Accumulated Funds - Operations			\$
Opening balance		650,534	617,048
Special Purpose Funds Transferred		149,515	-
Net surplus (deficit)		(223,937)	33,486
Special Purpose Funds Transferred - General		35,343	-
Closing balance		611,456	650,534
FUNDS AVAILABLE FOR SPECIAL PURPOSES			
Special Purpose Funds			
Opening balance		203,585	100,618
Special Purpose Income			
Grants received	1	72,760	174,924
Grants for The Migrating Kitchen Project	1	39,600	-
Donations for Special Purposes		-	1,993
Total Special Purpose Income		112,360	176,917
EXPENDITURE & ALLOCATION			
Transfer to Accumulated Funds		(184,858)	-
Transfer to various expense items in The Statement of Financial Performance		-	(12,982)
Purchase of Capital items		-	(6,156)
Salaries (Note 4)		-	(25,212)
Payment to Friends of New Settlers		-	(1,533)
Payments for The Migrating Kitchen Project		(36,320)	-
Other activities not covered above		(1,850)	(28,067)
Total Expenditure & Allocation		(223,029)	(73,950)
Closing balance		92,916	203,585
TOTAL EQUITY		704,372	854,119

The Statement of Accounting Policies (pages 4 to 5) and the Notes to the Financial Statements (pages 9 to 15) form an integral part of these Financial Statements.

RMS REFUGEE RESETTLEMENT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2007

1 FUNDING GRANT

	2007				
	\$				
	<i>General Operations</i>	<i>Salaries</i>	<i>Special Purposes - Other</i>	<i>Special Purposes - The Migrating Kitchen Project</i>	<i>Total</i>
INCOME					
Charitable Trusts	16,475		19,760		36,235
Government Sources	19,500	201,435			220,935
Other	23,323		53,000	39,600	115,923
TOTAL	59,298	201,435	72,760	39,600	373,093
EXPENDITURE					
Allocated to specific expenditure categories (as indicated above)	59,298	201,435	72,760	39,600	373,093
TOTAL	59,298	201,435	72,760	39,600	373,093

2006		
\$		
<i>General Operations</i>	<i>Salaries & Special Purpose</i>	<i>Total</i>
	196,280	196,280
	83,377	83,377
	53,507	53,507
	333,164	333,164
	333,164	333,164
	333,164	333,164

RMS REFUGEE RESETTLEMENT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)

2 INCOME RECEIVED IN ADVANCE

	2007	2006
	\$	\$
NZ Lottery Grant Board	-	189,500
Department of Labour	12,500	-
	12,500	189,500

3 GENERAL EXPENSES

	2007	2006
	\$	\$
Chief Executive vehicle lease	3,800	3,800
Gifts volunteers	-	2,219
Legal expenses	-	951
Subscriptions	6,453	5,087
Office expenses	5,224	16,991
Bank fees	1,760	2,534
Staffing & Functions	15,437	7,586
Volunteer Training	21,813	4,930
Miscellaneous	-	787
	54,486	44,885

RMS REFUGEE RESETTLEMENT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)

4 SALARIES

	2007		2006
	\$		\$
Payments to employees (before recoveries)	2,086,278		1,832,051
Less Recovered – Special Purposes Fund and Other			
· NZ Lotteries Grants Board	-	150,000	
· Friends of New Settlers	-	8,000	
· Other (Professional Course)	-	3,448	
		<u>161,448</u>	
		1,670,603	
· Superannuation	47,198		46,489
	<u>2,133,476</u>		<u>1,717,092</u>

- A period of extended leave was allowed to a senior employee taking into account wellness leave and long service contribution to the agency.
- NZ Lottery Grant Board, Porirua City Council and COGS provided funding for Salaries of \$170,000, \$8,000 and \$23,435 respectively.

5 FIXED ASSETS

	2007	2006
	\$	\$
FIXED ASSETS		
Office furniture, equipment and Motor vehicles Cost	328,270	453,159
Accumulated depreciation	(243,185)	(370,112)
	<u>85,085</u>	<u>83,047</u>

The cost of assets has been reduced to reflect the cost of assets disposed and now redundant remaining assets to be disposed.

6 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2007.

RMS REFUGEE RESETTLEMENT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)

7 COMMITMENTS

Capital commitments

At 30 June 2007 there were no capital commitments (2006 - \$nil).

Lease agreements

At 30 June 2007 rental and service contracts for which RMS was committed by signed agreements were as follows:

Current

July 2007 – June 2008

\$276,342.39

Term

July 2008 onwards

\$344,416.84

8 REPAIRS & MAINTENANCE (OFFICE EQUIPEMENT)

For the year ended 30 June 2007 a total of \$19, 852.06 (\$33,995.75 - 2006) was spent on IT related maintenance.

9 SUNDRY INCOME

	2007	2006
	\$	\$
Write back provisions recovered	-	6,155
Recovery of Misc Costs/Misc Income	-	10,254
Multicultural Service Centre contributions to Wellington Office renovations	-	12,716
	<hr/>	<hr/>
	-	29,125
	<hr/>	<hr/>

10 AUDIT & PROFESSIONAL SERVICES

	2007	2006
	\$	\$
Audit & Accounting Services		
Annual Financial Reports Audit - BKR Munro Benge	4,750	5,400
Additional audit services - BKR Munro Benge	1300	
Accounting services	1800	350
	<hr/>	<hr/>
	7,850	5,750
	<hr/>	<hr/>
Professional Services		
Human Resource consultation	8,796	-
Fundraising Strategy consultation	5,000	-
	<hr/>	<hr/>
	13,796	-
	<hr/>	<hr/>

RMS REFUGEE RESETTLEMENT INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007 (CONTINUED)

11 DONATIONS IN KIND

Like many similar charitable organisations working with volunteers, RMS is partially dependent on “donations in kind”. These fall into the following categories:

Donations of voluntary time

- During the financial year, 576 volunteers were trained and engaged in support services, each contributing approximately 150 hours of their time to support newly-arrived refugee families. The administrative cost of training volunteers is shown in note 3.

Donations of used household goods

- RMS receives no funding towards the cost of equipping initial refugee housing with basic furniture and essential household goods. The agency therefore remains dependent upon public donations of used items, which it collects, sorts and distributes as equitably as is possible. Approximately 234 (200 in 2006) households were furnished for the year.

Governance

- The non-executive Board members provide their services free. These resources provided to RMS free, are not recorded in the accounts and are not reflected in these financial statements.

12 SURPLUS/(DEFICIT)

In the 2004 Budget, Treasury allocated additional funding of \$6 million dollars (less GST) to support the work of RMS over a four year period. This funding is being apportioned in equal payments of \$1.5 million per annum. The funding recognised the need for increased staffing levels and a more appropriate level of core-funding. Staffing levels and operating costs have continued to rise incrementally, in line with RMS predictions.

The surpluses generated in first two years have provided the necessary funding to off set the \$223,937 loss for 2006/2007 financial year. The remaining operating reserves will be used to offset the budgeted deficit for the final year of the funding period ending 30 June 2008.