

# **Ballarat Neighbourhood Centre Inc.**

## **Financial Statements**

**For the Year Ended 31 December 2022**

**Ballarat Neighbourhood Centre Inc.**

**Contents**

**For the Year Ended 31 December 2022**

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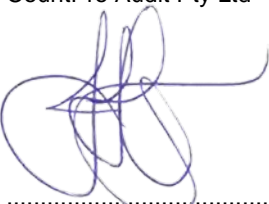
**Ballarat Neighbourhood Centre Inc.**

**Auditor's Independence Declaration to the Committee of Ballarat Neighbourhood Centre Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 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.

*CountPro Audit Pty Ltd*.....  
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "J. Hargreaves", is written over a horizontal dotted line.

.....  
Jason D. Hargreaves  
Director

30 March 2023

180 Eleanor Drive, Lucas

**Ballarat Neighbourhood Centre Inc.**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2022**

	2022	2021
	\$	\$
<b>Income</b>		
Community Activities	20,533	7,626
COVID Cash Flow Boost	(15,720)	-
Dividends Received	7,476	-
Grants Received - ACFE	194,346	206,448
Grants Received	1,128,296	647,837
Insurance Recoveries	-	3,214
Interest Received	2,596	250
Job Keeper Subsidy	-	151,300
Management Fee	21,649	40,151
Miscellaneous Income	4,181	700
Professional Services	500	1,751
Student Fees	12,563	8,492
	<b>1,376,420</b>	<b>1,067,769</b>
<b>Expenditure</b>		
Administration Expenses	16,200	13,500
Advertising & Promotion	30,299	29,038
Annual Leave Movement	38,041	13,103
Audit Fees	3,500	2,100
Bank Charges	3,610	408
Cleaning	1,725	9,486
Client Support Service	34,823	27,227
COM Governance Expenses Computer Expenses - BECH	143	1,077
Computer Maintenance & Software	3,232	15,208
Conference/Meeting - BECH	3,105	432
Depreciation	20,021	17,388
Depreciation - Right-of-Use Assets	3,312	1,380
Education Contractor	87,067	37,853
Electricity & Gas	10,000	2,864
Hire of Copier	-	1,700
Health & Safety	6,713	1,805
Insurance	1,965	1,778
Interest Expense	3,054	522
Kitchen Supplies	139	1,042
Labour Hire - Kitchenhand	232	30,047
Legal Costs	5,232	500
Long Service Leave Movement	(529)	(12,855)
Loss on disposal	179	11
Meeting Expenses	1,090	1,645
Postage	579	246
Printing & Stationery	5,266	4,021
Recruitment Expenses	6,007	33,494
Rent	36,364	30,000
Repairs & Maintenance	8,628	1,168
Salaries	734,935	612,984

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2022**

	2022	2021
	\$	\$
Social Enterprise client/Student Costs	14,630	11,058
Staff Amenities	5,095	3,085
Staff Training	5,185	4,139
Subscriptions & Memberships	8,126	5,340
Sundry and Other Expenses	28	100
Superannuation Contributions	79,667	61,120
Telephone & Internet	7,978	10,286
Travelling Expenses	1,420	555
Workcover	9,451	8,609
	<u>1,196,512</u>	<u>983,464</u>
Surplus for the year	<u>179,908</u>	<u>84,305</u>
<b>Other Comprehensive Income</b>		
Loss on Revaluation of Investments	<u>(683)</u>	-
<b>Total Comprehensive Income for the Year</b>	<u>179,225</u>	<u>84,305</u>

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Financial Position**

As At 31 December 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	253,394	645,911
Trade and other receivables	5	171,995	9,080
<b>TOTAL CURRENT ASSETS</b>		<b>425,389</b>	<b>654,991</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	6	237,320	-
Plant and equipment	7	73,423	62,014
Right-of-use assets	8	11,866	15,178
<b>TOTAL NON-CURRENT ASSETS</b>		<b>322,609</b>	<b>77,192</b>
<b>TOTAL ASSETS</b>		<b>747,998</b>	<b>732,183</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	94,726	49,194
Lease liabilities	8	3,142	2,903
Employee provisions	10	49,449	60,424
Income in advance	11	39,497	224,363
<b>TOTAL CURRENT LIABILITIES</b>		<b>186,814</b>	<b>336,884</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8	9,036	12,179
Employee provisions	10	4,779	14,976
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,815</b>	<b>27,155</b>
<b>TOTAL LIABILITIES</b>		<b>200,629</b>	<b>364,039</b>
<b>NET ASSETS</b>		<b>547,369</b>	<b>368,144</b>
<b>MEMBERS' FUNDS</b>			
Financial assets reserve		(683)	-
Retained earnings		548,052	368,144
<b>TOTAL MEMBERS' FUNDS</b>		<b>547,369</b>	<b>368,144</b>

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2022**

**2022**

	<b>Retained Earnings</b>	<b>Financial Asset Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2022</b>	<b>368,144</b>	<b>-</b>	<b>368,144</b>
Surplus for the year	<b>179,908</b>	<b>-</b>	<b>179,908</b>
Unrealised loss on revaluation of investments	<b>-</b>	<b>(683)</b>	<b>(683)</b>
<b>Balance at 31 December 2022</b>	<b>548,052</b>	<b>(683)</b>	<b>547,369</b>

**2021**

	<b>Retained Earnings</b>	<b>Financial Asset Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2021</b>	<b>283,839</b>	<b>-</b>	<b>283,839</b>
Surplus for the year	<b>84,305</b>	<b>-</b>	<b>84,305</b>
<b>Balance at 31 December 2021</b>	<b>368,144</b>	<b>-</b>	<b>368,144</b>

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Cash Flows**

**For the Year Ended 31 December 2022**

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,026,043	1,308,453
Payments to suppliers and employees	(1,145,586)	(965,527)
Interest received	2,596	250
Interest paid	(3,054)	(522)
Net cash provided by/(used in) operating activities	<u>(120,001)</u>	342,654
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(31,609)	(35,758)
Purchase of investments	(238,003)	-
Net cash used in investing activities	<u>(269,612)</u>	(35,758)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal repayments of lease liabilities	(2,904)	(1,476)
Net cash used in financing activities	<u>(2,904)</u>	(1,476)
Net increase/(decrease) in cash and cash equivalents held	(392,517)	305,420
Cash and cash equivalents at beginning of year	645,911	340,491
Cash and cash equivalents at end of financial year	4 <u>253,394</u>	<u>645,911</u>

The accompanying notes form part of these financial statements.



## Ballarat Neighbourhood Centre Inc.

# Notes to the Financial Statements

For the Year Ended 31 December 2022

The financial statements cover Ballarat Neighbourhood Centre Inc. as an individual entity. Ballarat Neighbourhood Centre Inc. is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act') and registered as a charity with the Australian Charities and Not-for-profits Commission.

The functional and presentation currency of Ballarat Neighbourhood Centre Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of the Committee of Management, 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 (Cth)*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**2 Summary of Significant Accounting Policies**

**(a) Revenue and other income**

**Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Association are:

**Operational Grant Funding**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied in accordance with AASB 15. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations are recognised when the funding is received in accordance with AASB 1058. The Association considers whether there are any related liability or equity items associated with the funding which are recognised in accordance with the relevant accounting standard.

**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) 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 payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(d) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(e) Financial instruments**

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Fair value through other comprehensive income*

##### Equity instruments

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**2 Summary of Significant Accounting Policies**

**(e) Financial instruments**

**Financial assets**

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

**(f) 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 2 Summary of Significant Accounting Policies

##### (g) Leases

At inception of a contract, the Association assesses whether a lease exists.

##### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Association has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**3 Critical Accounting Estimates and Judgments**

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

**Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**4 Cash and Cash Equivalents**

	2022	2021
	\$	\$
Cash at bank and in hand	22,762	394,499
Short-term deposits	230,632	251,412
	<u>253,394</u>	<u>645,911</u>

**5 Trade and other receivables**

Trade receivables	171,995	9,080
	<u>171,995</u>	<u>9,080</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**6 Other Financial Assets**

Shares at market value	237,320	-
	<u>237,320</u>	<u>-</u>

**7 Plant and equipment**

Plant and equipment		
At cost	58,672	37,927
Accumulated depreciation	(14,515)	(10,368)
	<u>44,157</u>	<u>27,559</u>
Computer equipment		
At cost	41,740	39,429
Accumulated depreciation	(34,522)	(29,186)
	<u>7,218</u>	<u>10,243</u>
Motor vehicles		
At cost	22,528	22,528
Accumulated depreciation	(7,722)	(3,216)
	<u>14,806</u>	<u>19,312</u>
Office equipment		
At cost	4,422	697
Accumulated depreciation	(691)	(168)
	<u>3,731</u>	<u>529</u>
Kitchen equipment		
At cost	22,920	19,732
Accumulated depreciation	(19,409)	(15,361)
	<u>3,511</u>	<u>4,371</u>
<b>Total plant and equipment</b>	<u>73,423</u>	<u>62,014</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 7 Plant and equipment

##### Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Motor Vehicles	Office Equipment	Computer Equipment	Kitchen Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2022</b>						
Balance at the beginning of year	27,559	19,312	529	10,243	4,371	62,014
Additions	20,405	-	3,726	4,290	3,188	31,609
Disposals - written down value	(160)	-	-	(19)	-	(179)
Transfers	888	-	-	(888)	-	-
Depreciation expense	(4,535)	(4,506)	(524)	(6,408)	(4,048)	(20,021)
<b>Balance at the end of the year</b>	<b>44,157</b>	<b>14,806</b>	<b>3,731</b>	<b>7,218</b>	<b>3,511</b>	<b>73,423</b>
<b>Year ended 31 December 2021</b>						
Balance at the beginning of year	20,065	-	-	15,272	8,318	43,655
Additions	9,960	22,528	697	2,573	-	35,758
Disposals - written down value	(11)	-	-	-	-	(11)
Depreciation expense	(2,455)	(3,216)	(168)	(7,602)	(3,947)	(17,388)
<b>Balance at the end of the year</b>	<b>27,559</b>	<b>19,312</b>	<b>529</b>	<b>10,243</b>	<b>4,371</b>	<b>62,014</b>

#### 8 Leases

##### Association as a lessee

The Association has a lease over a photocopier.

##### Right-of-use assets

	Photocopier	Total
	\$	\$
<b>Year ended 31 December 2022</b>		
Balance at beginning of year	15,178	15,178
Depreciation charge	(3,312)	(3,312)
<b>Balance at end of year</b>	<b>11,866</b>	<b>11,866</b>
<b>Year ended 31 December 2021</b>		
Additions to right-of-use assets	16,558	16,558
Depreciation charge	(1,380)	(1,380)
<b>Balance at end of year</b>	<b>15,178</b>	<b>15,178</b>

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:



**Notes to the Financial Statements**  
For the Year Ended 31 December 2022

**8 Leases**

**Lease liabilities**

	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Statement Of Financial Position</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Lease liabilities	3,998	9,994	-	13,992	12,178
<b>2021</b>					
Lease liabilities	3,998	13,991	-	17,989	15,082

**9 Trade and Other Payables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	80,082	46,185
GST payable	14,644	3,009
	<u>94,726</u>	<u>49,194</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**10 Provisions**

<b>CURRENT</b>		
Annual leave provision	31,822	37,549
Long service leave provision	17,627	22,875
	<u>49,449</u>	<u>60,424</u>
<b>NON-CURRENT</b>		
Long service leave provision	4,779	14,976
	<u>4,779</u>	<u>14,976</u>

**11 Income in Advance**

Contract liabilities	39,497	224,363
	<u>39,497</u>	<u>224,363</u>

**12 Contingencies**

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2022 (31 December 2021: None).

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

**13 Events after the end of the Reporting Period**

The financial report was authorised for issue on 31 March 2023 by the Committee of Management.

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.

## Ballarat Neighbourhood Centre Inc.

### Statement by Members of the Committee

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 2 to the financial statements.


In the opinion of the Committee:

- 1) the financial statements present a true and fair view of the financial position of Ballarat Neighbourhood Centre Inc. as at 31 December 2022 and its performance for the year then ended in accordance with the financial reporting requirements of *the Australian Charities and Not-for-profits Commission Act 2012*, and
- 2) at the date of this statement, there are reasonable grounds to believe that Ballarat Neighbourhood Centre Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with subsection 60.15(2) of *the Australian Charities and Not-for-profits Commission Regulation 2013* and a resolution of the Committee by:



.....  
Glen Crompton (Chair)



.....  
Jane Jens (Treasurer)

Dated 31 March 2023

## Ballarat Neighbourhood Centre Inc.

# Independent Audit Report to the members of Ballarat Neighbourhood Centre Inc.

### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Ballarat Neighbourhood Centre Inc. (the Association), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 31 December 2022 is prepared, in all material respects, including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2022 and of its financial performance for the year ended;
- ii. 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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by Division 60 of *the Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members of the Association, would be in the same terms if given to the members as at the time of this auditor's report.

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 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting the financial reporting requirements of *the Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

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## **Independent Audit Report to the members of Ballarat Neighbourhood Centre Inc.**

### **Responsibilities of Management and the Committee**

Management is responsible for the preparation and fair presentation of the financial report in accordance with *the Australian Charities and Not-for-profits Commission Regulation 2013*, and for such internal control as management determines is necessary to enable the preparation of the financial report 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 related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is 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 of 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 this financial report.

As part of an audit in accordance with the 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 management.


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- Conclude on the appropriateness of management'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 reporter, 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 management 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.

*CountPro Audit Pty Ltd*  
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to be "J. Hargreaves", is written over a horizontal dotted line.

Jason D. Hargreaves  
Director

180 Eleanor Drive, Lucas  
31 March 2023