

Ballarat Neighbourhood Centre Inc.

Financial Statements

For the Year Ended 31 December 2021

Ballarat Neighbourhood Centre Inc.

Contents

For the Year Ended 31 December 2021

	Page
Financial Statements	
Auditor's Independence Declaration	1
Statement of Profit or Loss	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Statement by Members of the Committee	16
Independent Audit Report	17

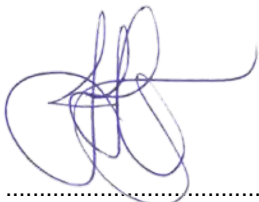
Ballarat Neighbourhood Centre Inc.

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 2021, 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 be "J. Hargreaves", is written over a horizontal dotted line.

.....
Jason D. Hargreaves
Director

30 March 2022

20 Lydiard Street South, Ballarat

Ballarat Neighbourhood Centre Inc.

Statement of Profit or Loss

For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Income		
BDCSRF	-	2,743
Community Activities	7,626	21,201
COVID Cash Flow Boost	-	100,000
Grants Received - ACFE	206,448	195,853
Grants Received	647,837	545,159
Insurance Recoveries	3,214	-
Interest Received	250	847
Job Keeper Subsidy	151,300	202,500
Management Fee	40,151	26,807
Miscellaneous Income	700	3,445
Professional Services	1,751	1,500
Student Fees	8,492	6,852
	1,067,769	1,106,907
Expenditure		
Administration Expenses	13,500	13,980
Advertising & Promotion	29,038	17,234
Annual Leave Movement	13,103	(7,010)
Audit Fees	2,100	1,400
Bank Charges	408	1,255
BDCSRF Expenses	-	1,012
Cleaning	9,486	7,941
Client Support Service	27,227	22,674
COM Governance Expenses Computer Expenses - BECH	1,077	1,066
Computer Maintenance & Software	15,208	6,294
Conference/Meeting - BECH	432	291
Depreciation	17,388	11,263
Depreciation - Right-of-Use Assets	1,380	-
Education Contractor	37,853	38,546
Electricity & Gas	2,864	3,502
Entertainment	-	1,322
Hire of Copier	1,700	4,059
Health & Safety	1,805	5,096
Insurance	1,778	934
Interest Expense	522	-
Kitchen Supplies	1,042	627
Labour Hire - Kitchenhand	30,047	22,853
Legal Costs	500	-
Long Service Leave Movement	(12,855)	30,034
Loss on disposal	11	-
Meeting Expenses	1,645	993
Postage	246	624
Printing & Stationery	4,021	6,645
Recruitment Expenses	33,494	18,924
Rent	30,000	29,094

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

Statement of Profit or Loss

For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Repairs & Maintenance	1,168	690
Salaries	612,984	636,033
Social Enterprise client/Student Costs	11,058	15,437
Staff Amenities	3,085	2,320
Staff Training	4,139	2,260
Subscriptions & Memberships	5,340	7,418
Sundry and Other Expenses	100	36
Superannuation contributions	61,120	56,184
Telephone - BECH	-	892
Telephone & Internet	10,286	12,428
Travelling Expenses	555	114
Wages EBNC - Kate Owen	-	5,957
Workcover	8,609	7,886
	983,464	988,308
Surplus for the year	84,305	118,599

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	645,911	340,491
Trade and other receivables	5	9,080	25,651
TOTAL CURRENT ASSETS		654,991	366,142
NON-CURRENT ASSETS			
Plant and equipment	6	62,014	43,655
Right-of-use assets	7	15,178	-
TOTAL NON-CURRENT ASSETS		77,192	43,655
TOTAL ASSETS		732,183	409,797
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	49,194	30,588
Lease liabilities	7	2,903	-
Employee provisions	9	60,424	78,915
Income in advance	10	224,363	-
TOTAL CURRENT LIABILITIES		336,884	109,503
NON-CURRENT LIABILITIES			
Lease liabilities	7	12,179	-
Employee provisions	9	14,976	16,455
TOTAL NON-CURRENT LIABILITIES		27,155	16,455
TOTAL LIABILITIES		364,039	125,958
NET ASSETS		368,144	283,839
MEMBERS' FUNDS			
Retained earnings		368,144	283,839
TOTAL MEMBERS' FUNDS		368,144	283,839

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

Statement of Changes in Equity
For the Year Ended 31 December 2021

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2021	283,839	283,839
Surplus for the year	84,305	84,305
Balance at 31 December 2021	368,144	368,144

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	165,240	165,240
Surplus for the year	118,599	118,599
Balance at 31 December 2020	283,839	283,839

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,308,453	1,088,831
Payments to suppliers and employees	(965,527)	(1,035,554)
Interest received	250	847
Interest paid	(522)	-
Net cash provided by operating activities	<u>342,654</u>	<u>54,124</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(35,758)</u>	<u>(18,791)</u>
Net cash used in investing activities	<u>(35,758)</u>	<u>(18,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of lease liabilities	<u>(1,476)</u>	-
Net cash used in financing activities	<u>(1,476)</u>	-
Net increase in cash and cash equivalents held	305,420	35,333
Cash and cash equivalents at beginning of year	<u>340,491</u>	<u>305,158</u>
Cash and cash equivalents at end of financial year	<u>645,911</u>	<u>340,491</u>

4

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

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 2021

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 2021

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

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 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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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.

(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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(g) Leases

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.

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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments

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.

Ballarat Neighbourhood Centre Inc.

Notes to the Financial Statements
For the Year Ended 31 December 2021

4 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	394,499	89,329
Short-term deposits	251,412	251,162
	645,911	340,491

5 Trade and other receivables

Trade receivables	9,080	19,630
GST receivable	-	6,021
	9,080	25,651

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

6 Plant and equipment

PLANT AND EQUIPMENT

Plant and equipment At cost	-	19,732
Computer equipment At cost	38,789	40,013
Accumulated depreciation	-	(24,741)
Total computer equipment	38,789	15,272
Office equipment At cost	23,225	-
Total office equipment	23,225	-
Total plant and equipment	62,014	35,004

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 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
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2021						
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)	-	(7,602)	(3,947)	(17,220)
Balance at the end of the year	27,559	19,312	697	10,243	4,371	62,182
Year ended 31 December 2020						
Balance at the beginning of year	17,573	-	-	6,919	11,635	36,127
Additions	4,158	-	-	14,077	556	18,791
Depreciation expense	(1,666)	-	-	(5,724)	(3,873)	(11,263)
Balance at the end of the year	20,065	-	-	15,272	8,318	43,655

7 Leases

Association as a lessee

The Association has leases over a range of assets including land and buildings and office equipment.

Right-of-use assets

	Photocopier	Total
	\$	\$
Year ended 31 December 2021		
Additions to right-of-use assets	16,558	16,558
Depreciation charge	(1,380)	(1,380)
Balance at end of year	15,178	15,178

Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2021					
Lease liabilities	3,998	13,991	-	17,989	15,082

Notes to the Financial Statements
For the Year Ended 31 December 2021

8 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	46,185	30,588
GST payable	3,009	-
	<u>49,194</u>	<u>30,588</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.

9 Provisions

CURRENT		
Annual leave provision	37,549	34,728
Long service leave provision	22,875	44,187
	<u>60,424</u>	<u>78,915</u>
NON-CURRENT		
Long service leave provision	14,976	16,455

10 Income in Advance

CURRENT		
Contract liabilities	224,363	-
	<u>224,363</u>	<u>-</u>

11 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2021 (31 December 2020:None).

12 Events after the end of the Reporting Period

The financial report was authorised for issue on 31 March 2022 by the Committee of Management.

Subsequent to the end of the reporting period the Australian economy has continued to be impacted by the COVID-19 pandemic. The Association has been significantly impacted by the pandemic to the date of this report but, as the pandemic continues to affect the economic environment, uncertainty remains on the future impact of COVID-19 on the Associations operations.

Except for the above, 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.

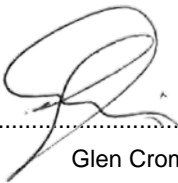
Statement by Members of the Committee

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.

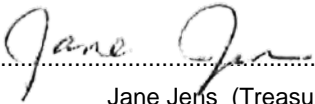
In the opinion of the committee:

- 1) the financial statements present a true and fair view of the financial position of Ballarat Neighbourhood Centre Inc as at 31 December 2021 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 2022

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 2021, the statement of profit or loss, 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 2021 is prepared, in all material respects, including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2021 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 ACNC Act. 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.

Ballarat Neighbourhood Centre Inc.

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

Responsibilities of Management and Those Charged with Governance

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 those charged with governance either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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.

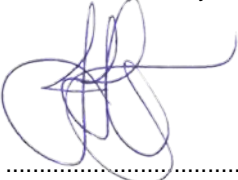
Ballarat Neighbourhood Centre Inc.

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

- 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 the 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
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CountPro Audit Pty Ltd

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

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Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat
31 March 2022