

# **Ballarat Neighbourhood Centre Inc.**

## **Financial Statements**

**For the Year Ended 31 December 2020**

**Ballarat Neighbourhood Centre Inc.**

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**For the Year Ended 31 December 2020**

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**Ballarat Neighbourhood Centre Inc.**

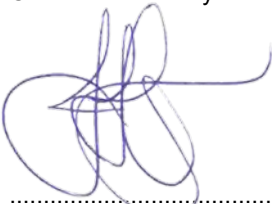
**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Committee of Ballarat Neighbourhood Centre Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, 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

31 March 2021

20 Lydiard Street South, Ballarat

**Ballarat Neighbourhood Centre Inc.**

**Statement of Profit or Loss**  
**For the Year Ended 31 December 2020**

	2020	2019
	\$	\$
<b>Income</b>		
BDCSRF	2,743	-
Community Activities	21,201	55,852
COVID Cash Flow Boost	100,000	-
Job Keeper Subsidy	202,500	-
Facilities Hire	26,807	35,800
Grants Received - ACFE	195,853	232,399
Grants Received	545,159	688,102
Insurance Recoveries	-	4
Interest Received	847	321
Miscellaneous Income	3,445	1,955
Professional Services	1,500	77,863
Student Fees	6,852	11,129
	<b>1,106,907</b>	<b>1,103,425</b>
<b>Expenditure</b>		
Administration Expenses	13,980	15,870
Advertising - BECH	-	3,816
Advertising & Promotion	17,234	27,945
Annual Leave Expense	(7,010)	12,417
Assets Purchased <\$5000	-	6,293
Audit Fees	1,400	1,200
Bank Charges	1,255	1,354
BDCSRF Expenses	1,012	-
Cleaning	7,941	6,936
Client Support Service	22,674	42,350
COM Governance Expenses Computer Expenses - BECH	1,066	852
Computer Expenses - BECH	-	2,303
Computer Maintenance & Software	6,294	6,058
Conference/Meeting - BECH	291	1,899
Depreciation	11,263	9,514
EBNC - expenses paid by BNC	-	11,944
Education Contractor	38,546	57,772
Electricity & Gas	3,502	3,124
Entertainment	1,322	2,568
Hire of Copier	4,059	4,725
Health & Safety	5,096	-
Insurance	934	1,154
Kitchen Supplies	627	4,241
Labour Hire - Kitchenhand	22,853	11,057
Legal Costs	-	4,026
Long Service Leave Expense	30,034	11,999
Management Fees	-	46,555
Meeting Expenses	993	2,234
Memberships - BECH	-	110
Postage	624	599

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Profit or Loss**  
**For the Year Ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Printing & Stationery	<b>6,645</b>	6,773
Recruitment Expenses	<b>18,924</b>	17,825
Rent	<b>29,094</b>	28,451
Repairs & Maintenance	<b>690</b>	1,687
Salaries	<b>636,033</b>	563,058
Social Enterprise client/Student Costs	<b>15,437</b>	24,234
Staff Amenities	<b>2,320</b>	3,412
Staff Training	<b>2,260</b>	11,027
Subscriptions & Memberships	<b>7,418</b>	4,727
Sundry and Other Expenses	<b>36</b>	657
Superannuation	<b>56,184</b>	54,081
Telephone - BECH	<b>892</b>	929
Telephone & Internet	<b>12,428</b>	9,630
Travelling Expenses	<b>114</b>	1,951
Wages EBNC - Kate Owen	<b>5,957</b>	60,000
Workcover	<b>7,886</b>	9,271
	<b>988,308</b>	1,098,628
Surplus for the year	<b>118,599</b>	4,797

The accompanying notes form part of these financial statements.

Ballarat Neighbourhood Centre Inc.

**Statement of Financial Position**

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	340,491	305,158
Trade and other receivables	5	25,651	8,422
<b>TOTAL CURRENT ASSETS</b>		<b>366,142</b>	<b>313,580</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	43,655	36,127
<b>TOTAL NON-CURRENT ASSETS</b>		<b>43,655</b>	<b>36,127</b>
<b>TOTAL ASSETS</b>		<b>409,797</b>	<b>349,707</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	30,588	102,672
Employee provisions	8	78,915	81,795
<b>TOTAL CURRENT LIABILITIES</b>		<b>109,503</b>	<b>184,467</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	8	16,455	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16,455</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>125,958</b>	<b>184,467</b>
<b>NET ASSETS</b>		<b>283,839</b>	<b>165,240</b>
<b>MEMBERS' FUNDS</b>			
Retained earnings		283,839	165,240
<b>TOTAL MEMBERS' FUNDS</b>		<b>283,839</b>	<b>165,240</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 2020**

**2020**

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

**2019**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2019</b>	123,439	123,439
Surplus for the year	4,797	4,797
Adjustment due to historical recognition of plant and equipment	37,004	37,004
<b>Balance at 31 December 2019</b>	<b>165,240</b>	<b>165,240</b>

The accompanying notes form part of these financial statements.

**Ballarat Neighbourhood Centre Inc.**

**Statement of Cash Flows**

**For the Year Ended 31 December 2020**

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,088,831	1,119,934
Payments to suppliers and employees	(1,035,554)	(1,131,790)
Interest received	847	321
Net cash provided by/(used in) operating activities	<u>54,124</u>	<u>(11,535)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(18,791)	(8,112)
Net cash provided by/(used in) investing activities	<u>(18,791)</u>	<u>(8,112)</u>
Net increase/(decrease) in cash and cash equivalents held	35,333	(19,647)
Cash and cash equivalents at beginning of year	305,158	324,805
Cash and cash equivalents at end of financial year	4 <u>340,491</u>	<u>305,158</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 2020

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').

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 Act.

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) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) 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.

#### (c) 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.

#### (d) 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 2020

#### 2 Summary of Significant Accounting Policies

##### (e) 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.

##### 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.

#### 4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	89,329	204,843
Short-term deposits	251,162	100,315
	<u>340,491</u>	<u>305,158</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**5 Trade and other receivables**

	2020	2019
	\$	\$
Trade receivables	19,630	8,422
GST receivable	6,021	-
	<u>25,651</u>	<u>8,422</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**6 Plant and equipment**

PLANT AND EQUIPMENT

Plant and equipment

At cost	28,837	24,679
Accumulated depreciation	(8,772)	(7,106)
Total plant and equipment	<u>20,065</u>	<u>17,573</u>

Computer equipment

At fair value

At cost	40,013	25,936
Accumulated depreciation	(24,741)	(19,017)
Total computer equipment	<u>15,272</u>	<u>6,919</u>

Kitchen equipment

At cost	19,732	19,176
Accumulated depreciation	(11,414)	(7,541)
Total Kitchen equipment	<u>8,318</u>	<u>11,635</u>

**Total plant and equipment**

<u>43,655</u>	<u>36,127</u>
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**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	Computer Equipment	Kitchen Equipment	Total
	\$	\$	\$	\$
<b>Year ended 31 December 2020</b>				
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)
<b>Balance at the end of the year</b>	<u>20,065</u>	<u>15,272</u>	<u>8,318</u>	<u>43,655</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**7 Trade and Other Payables**

	2020	2019
	\$	\$
CURRENT		
Trade payables	30,588	96,867
GST payable	-	5,805
	<u>30,588</u>	<u>102,672</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.

**8 Provisions**

CURRENT		
Annual leave provision	34,728	41,738
Long service leave provision	44,187	40,057
	<u>78,915</u>	<u>81,795</u>
NON-CURRENT		
Long service leave provision	<u>16,455</u>	-

**9 Contingencies**

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2020 (31 December 2019:None).

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

The financial report was authorised for issue on 31 March 2021 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.

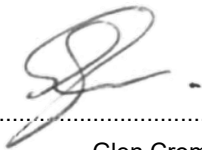
### Statement by Members of the Committee

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 1 to the financial statements.

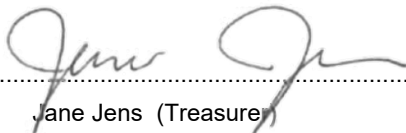
In the opinion of the committee:

- 1) the financial statements present a true and fair view of the financial position of Ballarat Regional Multicultural Council Inc as at 30 June 2020 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 Regional Multicultural Council 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 2021

**Ballarat Neighbourhood Centre Inc.**

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

**Report on the Audit of the Financial Report**

### **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 2020, 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 2020 is prepared, in all material respects, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2019 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 [Enter Compliance Requirements]. 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 management 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 the management.

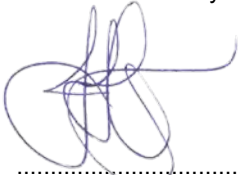
**Ballarat Neighbourhood Centre Inc.**

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

- Conclude on the appropriateness of the 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*  
CountPro Audit Pty Ltd

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

Jason D. Hargreaves  
Director

20 Lydiard Street South, Ballarat  
31 March 2021