



The Centre: Connecting Community in North & West Melbourne Incorporated  
ABN 21 236 030 938

## **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2016



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Figure 1 - The Centre at 58 Errol Street.

## ABOUT THE CENTRE

The Centre is a not-for-profit incorporated charity situated in Errol Street in the heart of North and West Melbourne.

The Centre has, in 2016, been in operation for 40 years and is proudly run by a loyal and committed team of volunteers and paid staff. The Centre's members and clientele cover a diverse range of individuals from a variety of cultural backgrounds and organisations, exemplifying the richness of the local community.

The Centre's programs and activities respond to the needs of the North & West Melbourne community, providing an accessible and inclusive agenda which fosters belonging and community spirit, reduces social dislocation and ultimately improves the wellbeing of the community's members.

The Centre works closely with other INC Co-operative members and its community partners and is supported by funding and goodwill from the community, government and non-government organisations.

The Centre is an Incorporated Association registered with Consumer Affairs Victoria and a charity registered with the Australian Charities and Not for Profit Commission. The members of the association comprise individuals that have been active participants in any of the activities run by The Centre and supporters from the local community. Members are entitled to attend the Annual General Meeting and any Special General Meetings of the association and vote on any resolutions put to the meetings.

The Centre's activities are overseen by a Management Committee elected or appointed in accordance with The Centre's constitution. Directors receive no remuneration for being on the Committee.

Committee members at 30 June 2016 were:

- ✚ Mr. Karl Hessian - Chairperson
- ✚ Mr. Malcolm Peacock - Vice Chairperson
- ✚ Ms. Doone Clifton - Treasurer
- ✚ Ms. Margaret Wood - Secretary
- ✚ Ms. Kathleen McPherson - Director
- ✚ Mr. Bill Liddy - Director
- ✚ Mr. Benjamin O'Connor - Director
- ✚ Ms. Tianhong Wu - Director

During the year two directors retired from the committee after many years service as committee members. They were:

- ✚ Mrs Lorna Hannan - Vice Chairperson (retired 26 October 2015)
- ✚ Dr. Nancy Lane - Director (retired 23 May 2016)

The Committee has delegated responsibility for the day to day operation of The Centre to a Centre Director. The current Centre Director is Mr. Michael Halls.

## ACKNOWLEDGEMENTS



These financial statements include financial information for Errol's Angels Community Choir Inc. ABN: 47 415 008 045.



INC Co-operative Members



Carlton Neighbourhood Learning Centre



Farnham Street Neighbourhood Learning Centre



Kensington Neighbourhood House



North Melbourne Language & Learning



The Centre – Connecting Community in North & West Melbourne



Wingate Avenue Community Centre.

## Key Partners & Supporters

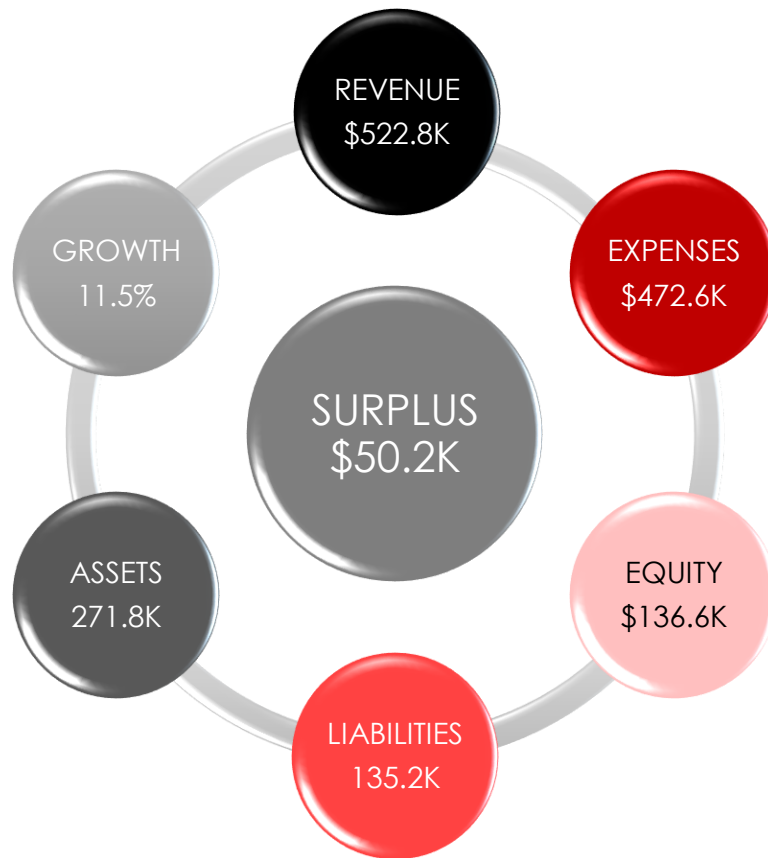


## Auditor

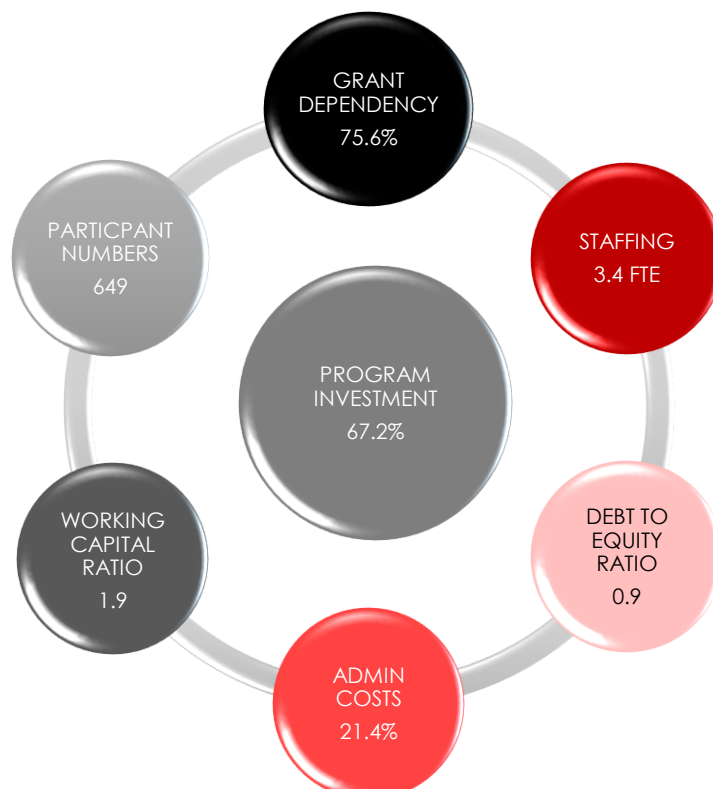
Mr Eugene Odachowski  
J.P. Hardwick & Associates  
Unit 7, 617-643 Spencer Street  
West Melbourne, VIC 3003

## THE FINANCIAL YEAR AT A GLANCE

### HEADLINES



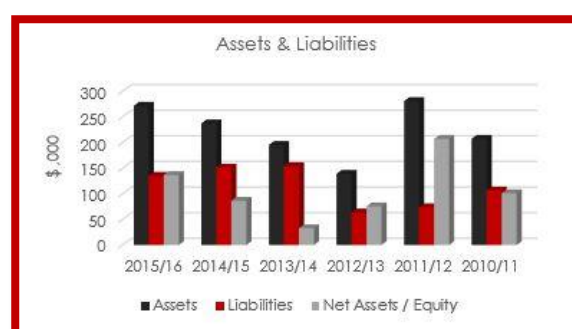
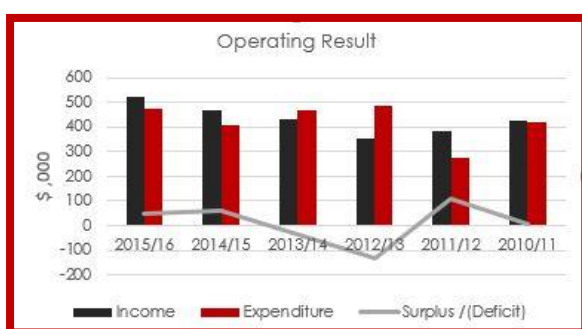
### KEY INDICATORS



## SUMMARY FINANCIAL DATA & KEY INDICATORS

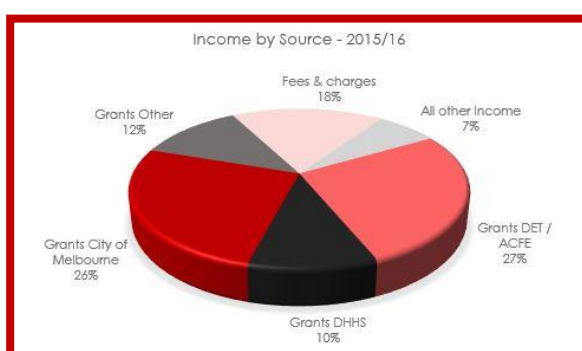
### (a) Headline Data & Indicators - 5 Year Comparison

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
	\$	\$	\$	\$	\$	\$
Income	522,839	468,903	431,295	351,192	380,349	427,246
Expenditure	472,605	408,677	466,419	482,760	274,139	419,666
<b>Surplus /(Deficit)</b>	<b>50,234</b>	<b>60,226</b>	<b>(35,124)</b>	<b>(131,568)</b>	<b>106,210</b>	<b>7,580</b>
Assets	271,805	237,387	195,331	139,036	280,906	207,465
Liabilities	135,191	151,007	154,126	63,450	73,752	106,521
<b>Net Assets / Equity</b>	<b>136,614</b>	<b>86,380</b>	<b>32,873</b>	<b>75,586</b>	<b>207,154</b>	<b>100,944</b>
Working capital ratio (target > 1.5)	1.9	1.4	1.1	2.0	3.7	1.7
Debt to equity ratio (target <0.8)	0.9	1.7	4.9	0.8	0.4	1.1



### (b) Income - 5 Year Comparison

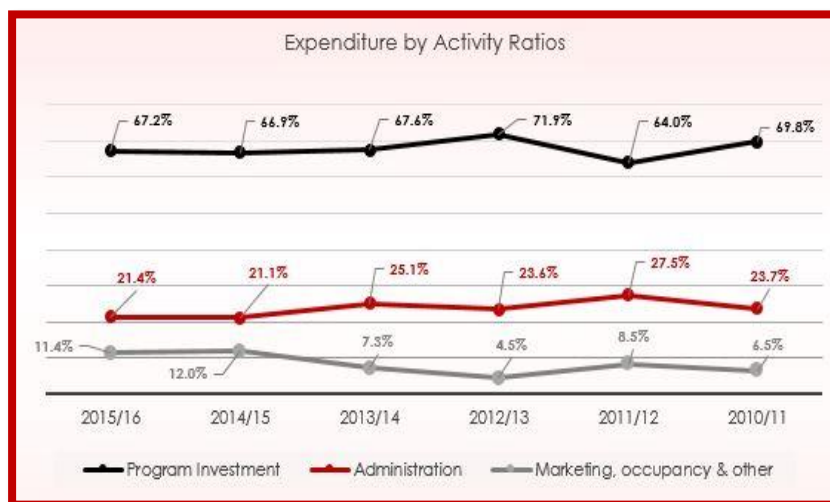
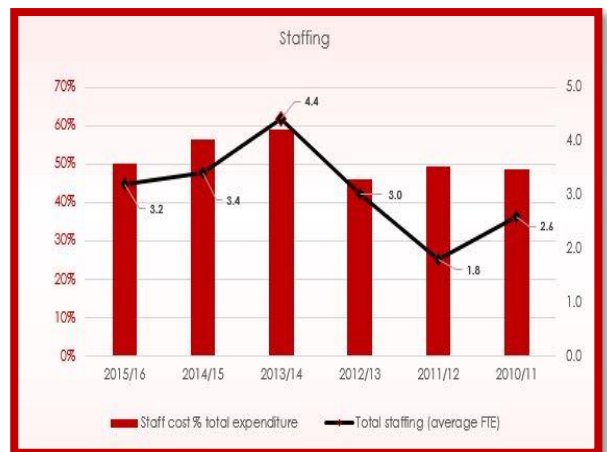
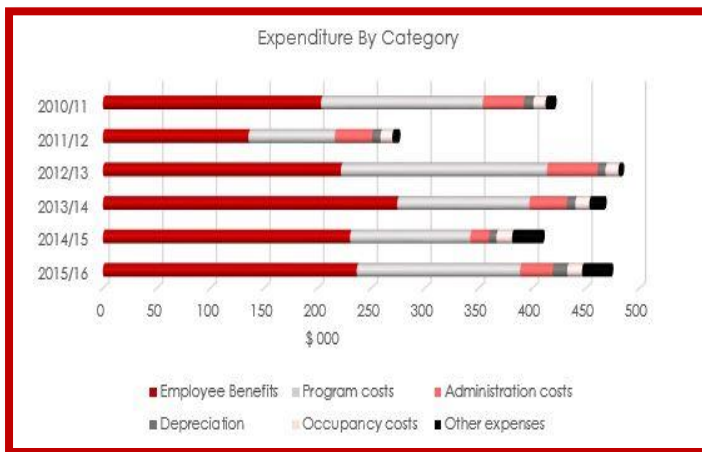
	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
	\$	\$	\$	\$	\$	\$
Grant income – DET / ACFE	141,510	58,689	109,888	65,281	74,558	25,674
Grant Income - DHHS	54,421	51,809	49,077	46,380	44,495	43,304
Grant Income – City of Melbourne	136,411	115,668	117,692	140,007	177,290	258,549
Grant income - all other	63,115	25,218	7,373	13,500	17,891	36,700
Fees & charges	91,214	87,489	80,996	54,093	44,926	26,001
Interest	562	431	950	6,610	9,537	5,541
All other Income	35,606	129,599	65,319	25,321	11,652	31,477
<b>Total Income</b>	<b>522,839</b>	<b>468,903</b>	<b>431,295</b>	<b>351,192</b>	<b>380,349</b>	<b>427,246</b>
Income growth on previous year	11.5%	8.7%	22.8%	(7.6%)	(11.0%)	5.8%
ACFE grants as % total income (target < 50%)	27.1%	12.5%	25.4%	18.5%	19.6%	6.0%
All grants as % total income (target < 75%)	75.6%	53.6%	65.8%	75.5%	82.6%	85.2%





(c) Expenditure - 5 Year Comparison

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
	\$	\$	\$	\$	\$	\$
Employee Benefits <sup>1</sup>	236,614	230,380	274,305	221,936	135,676	203,348
Program costs	152,195	112,137	123,227	191,936	80,568	150,682
Administration costs	30,399	17,262	34,709	47,179	34,643	38,248
Depreciation	13,604	7,100	8,183	7,393	7,918	9,024
Occupancy costs	13,867	14,559	13,132	12,136	10,997	11,310
Other expenses <sup>2</sup>	25,926	27,239	12,863	2,180	4,337	7,054
<b>Total expenses</b>	<b>472,605</b>	<b>408,677</b>	<b>466,419</b>	<b>482,760</b>	<b>274,139</b>	<b>419,666</b>
Program cost ratio <sup>3</sup>	32.2%	27.4%	26.4%	39.8%	29.4%	35.9%
Program investment ratio <sup>4</sup>	67.2%	66.9%	67.6%	71.9%	64.0%	69.8%
Program investment split (Direct program: program support)	85:15	83:17	83:17	87:13	85:15	86:14
Total staffing (average FTE)	3.2	3.4	4.4	3.0	1.8	2.6
Staff cost ratio <sup>1</sup>	50.1%	56.4%	58.9%	46.0%	49.5%	48.5%
Cost of administration <sup>4</sup>	21.4%	21.1%	25.1%	23.6%	27.5%	23.7%



<sup>1</sup> Staffing mix is approximately 50% direct program staff, 20% program support staff, 30% administration staff.

<sup>2</sup> Includes advertising, promotion, marketing & fundraising costs.

<sup>3</sup> All ratios calculated as a % of total expenditure

<sup>4</sup> Includes allocation of employee benefits as detailed above – see footnote 1.



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Government and other grants			
- City of Melbourne	2	136,411	115,668
- Department of Education and Training	2	141,510	58,689
- Department of Human Services	2	54,421	51,809
- Other	2	63,115	25,218
Course and activity fees	2	91,214	87,489
Other income	2	36,168	130,030
<b>TOTAL INCOME</b>		<b>522,839</b>	<b>468,903</b>
<b>EXPENDITURE</b>			
Employee benefits	3	(236,641)	(230,380)
Advertising and promotion		(4,330)	(3,048)
Depreciation	8	(13,604)	(7,100)
Occupancy costs		(13,867)	(14,559)
Program costs - contractors	4	(67,958)	(55,936)
Program costs - other	4	(84,237)	(56,401)
Other expenses	5	(51,968)	(41,253)
<b>TOTAL EXPENDITURE</b>		<b>(472,605)</b>	<b>(408,677)</b>
<b>NET RESULT FOR THE PERIOD</b>	16	<b>50,234</b>	<b>60,226</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>		<b>50,234</b>	<b>60,226</b>

*The accompanying notes form part of these financial statements.*

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	190,111	137,112
Receivables	7	32,660	22,514
Prepayments & other current assets		5,821	39,053
<b>Total current assets</b>		<b>228,592</b>	<b>198,679</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	43,213	38,708
<b>Total non-current assets</b>		<b>43,213</b>	<b>38,708</b>
<b>TOTAL ASSETS</b>		<b>271,805</b>	<b>237,387</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	19,174	49,705
Provisions	12	26,756	15,955
Income received in advance	10	65,039	68,010
Project funds held	11	6,844	5,724
<b>Total current liabilities</b>		<b>117,813</b>	<b>139,394</b>
<b>Non-current liabilities</b>			
Provisions	12	17,378	11,613
<b>Total non-current liabilities</b>		<b>17,378</b>	<b>11,613</b>
<b>TOTAL LIABILITIES</b>		<b>135,191</b>	<b>151,007</b>
<b>NET ASSETS</b>		<b>136,614</b>	<b>86,380</b>
<b>EQUITY</b>			
Reserves		18,592	18,592
Retained earnings		118,022	67,788
<b>TOTAL EQUITY</b>	13	<b>136,614</b>	<b>86,380</b>

*The accompanying notes form part of these financial statements.*

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Earnings \$	Reserves \$	TOTAL \$
<b>BALANCE AT 1 JULY 2014</b>		<b>(2,590)</b>	<b>35,463</b>	<b>32,873</b>
Comprehensive income (expense) for the year		60,226	-	<b>60,226</b>
Amount transferred (to) from reserves		10,152	(16,871)	<b>(6,719)</b>
<b>BALANCE AT 30 JUNE 2015</b>		<b>67,788</b>	<b>18,592</b>	<b>86,380</b>
Comprehensive income (expense) for the year		50,234	-	<b>50,234</b>
Amount transferred (to) from reserves		-	-	-
<b>BALANCE AT 30 JUNE 2016</b>	13	<b>118,022</b>	<b>18,592</b>	<b>136,614</b>

*The accompanying notes form part of these financial statements.*

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Government and other grants		340,017	315,837
Other receipts		248,841	282,188
Employee benefits paid		(236,641)	(230,380)
Payments to suppliers		(281,108)	(318,171)
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>14</b>	<b>71,109</b>	<b>49,474</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment to INC Co-op on demerger		-	(25,061)
Purchase of property, plant and equipment		(18,110)	(6,753)
<b>NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(18,110)</b>	<b>(31,814)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net interest received (paid)		-	-
Equity invested in Non-current Assets		-	-
Equity invested in Operating Activities		-	-
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>52,999</b>	<b>17,660</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>137,112</b>	<b>119,452</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>6</b>	<b>190,111</b>	<b>137,112</b>

*The accompanying notes form part of these financial statements.*

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*.

The financial statements cover The Centre: Connecting Community in North & West Melbourne Inc. ("The Centre") as an individual entity. The Centre is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2012*. The committee of management of The Centre has determined that the association is not a reporting entity.

#### Basis of preparation

The financial statements have been prepared in accordance with Australian Accounting Standards as required for a 'tier two association' under the *Associations Incorporation Reform Act 2012*.

The financial statements, apart from cash flow information, have been prepared on an accruals basis in accordance with the historical cost convention, except for the measurement at fair value of certain non-current assets and financial assets and liabilities where stated.

All amounts shown in the financial statements are rounded to the nearest dollar.

The following material accounting policies have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information for the year ended 30 June 2015.

#### (a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

##### Grants

The Centre receives grants for operating and project purposes. Where there are conditions attached to grants relating to the specific use and timing of funds and which may provide for economic value back to the grant contributor, grants are first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs and grants are expended in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained.

##### Rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer, and where delivery is in progress, by reference to the percentage stage of completion of the transaction.

##### Course and activity fees

Fees are recognised as revenue when they are received, unless they have been received in advance of the commencement of the related activity period, in which case they are first recognised as a liability in the statement of financial position (income received in advance), then transferred to revenue when delivery commences.

##### Sale of goods

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

##### Interest

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

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### (b) Property, plant and equipment

Each class of fixed asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of physical assets is reviewed annually to ensure it is not materially in excess of the recoverable amount from these assets.

##### Depreciation

Fixed assets are capitalised and depreciated on a straight-line basis over their useful lives commencing from the time the assets are held ready for use.

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

##### Class of fixed asset

##### Depreciation rate

Office furniture and equipment:

• Furniture	15-20%
• Office equipment excl. computers	20-25%
• Computer equipment	25-40%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

(c) Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Any lease incentives received under operating leases are recognised initially as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial instruments

The association's financial instruments consist of cash and cash equivalents and non-interest-bearing trade and other short-term receivables and payables.

Cash and cash equivalents comprise at-call and short term deposits held with financial institutions and cash on hand. Receivables comprise trade and other short-term amounts owing to The Centre and due for settlement.

Payables represent liabilities in relation to goods and services provided to The Centre prior to the end of the financial year which are unpaid.

Recognition and measurement

The association recognises financial assets or liabilities on the date they are originated or when it becomes a party to the contractual provisions of the instrument. The instruments are initially measured at fair value plus any transaction costs. Subsequent measurement is either at fair value or amortised cost, less any impairment losses.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of the association's financial instruments are based on cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired.

(e) Impairment

The association assesses the carrying amounts of its financial and non-financial assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated, and any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss.

Impairment losses are expensed to the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through the statement of comprehensive income.

The recoverable amount for assets is recognised at either the present value of estimated future cash flows, fair value less costs to sell or depreciated replacement cost, depending on the asset.

Impairment of the association's financial instruments is not recognised until objective evidence exists that a loss event has occurred. A provision for impairment losses is raised if there is an indicator that an impairment loss may be incurred.

An impairment loss is reversed if a subsequent increase in the recoverable amount of the asset can be objectively related to an event occurring after the impairment loss was recognised.

(f) Provisions

Provisions are made 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. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(g) Income received in advance

Income received in advance represents liabilities for amounts received by The Centre in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a) Revenue*.

(h) Employee benefits

Provision is made for the association's liability for short and long-term employee benefits arising from services rendered by employees to balance date. These benefits include salaries and wages, annual and long-service leave and superannuation.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, including related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits plus related on-costs.

(i) Goods and services tax (GST)

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

(j) Income Tax

The Centre is endorsed as an income tax exempt charity under Division 50 (Subdivision 50-B) of the Income Tax Assessment Act 1997.

(k) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Accounting judgments and estimates

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

Estimates and assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period or periods affected by the revision.

(m) Adoption of new and revised accounting standards

The association has adopted applicable accounting standards and interpretations that are mandatory for the current reporting period. All new and revised accounting standards and interpretations that have mandatory application for future reporting periods, and are relevant to the association, have not been early-adopted.



Figure 2 - Centre Adventure 2015



Figure 3 - Drop in Morning Tea



## NOTE 2. GRANTS & OTHER INCOME

	2016 \$	2015 \$
<b>Grants</b>		
City of Melbourne	136,411	115,668
Department of Education and Training	141,510	58,689
Department of Human Services	54,421	51,809
Other Grants	63,115	25,218
<b>Total grants</b>	<b>395,457</b>	<b>251,384</b>
<b>Trading &amp; Other Income</b>		
North & West Melbourne News advertising and subscription revenue	11,196	11,721
Spring Fling Festival sponsorship and stall hire revenue *	9,329	119,818
Course Fees	91,214	87,489
Interest	562	431
All other	15,081	(1,940)
<b>Total other income</b>	<b>127,382</b>	<b>217,519</b>
<b>Total grants &amp; other income</b>	<b>522,839</b>	<b>468,903</b>

\* The majority of income for Spring Fling held in October 2015 was received prior 30 June 2015 inflating the 2015 revenue reported.  
From 1 July 2016 all Spring Fling revenue will be accounted for in the financial year that each event is held.

## NOTE 3. EMPLOYEE BENEFITS

	2016 \$	2015 \$
Salaries and wages	197,644	202,882
Leave provisions	16,608	6,123
Superannuation	18,104	17,157
Workcover	4,285	4,218
<b>Total employee benefits</b>	<b>236,641</b>	<b>230,380</b>

## NOTE 4. PROGRAM COSTS

Program costs include costs directly attributable to supporting and delivering program activities. They include expenditure related to the Spring Fling Festival. This year also includes expenditure for the Spanish Language Fiesta which The Centre organised on behalf of the North and West Melbourne Precinct Association. The current period includes project expenses relating to the delivery of the most recent Spring Fling Festival held in October 2015 and the Spanish Language Fiesta held in April 2016.

## NOTE 5. OTHER EXPENSES

	2016 \$	2015 \$
Audit fees	1,650	1,500
Bank charges	887	1,133
Communications	3,842	2,806
Computer and IT costs	5,928	5,656
Other staffing costs	1,390	(9,954)
Meeting and governance expenses	2,681	2,731
Printing and stationery	9,664	10,142
All other expenses	25,926	27,239
<b>Total other expenses</b>	<b>51,968</b>	<b>41,253</b>

**NOTE 6. CASH AND CASH EQUIVALENTS**

	2016 \$	2015 \$
Cash in bank accounts	189,811	135,941
Cash in term deposits	-	-
Cash on hand	300	1,171
<b>Total cash and cash equivalents</b>	<b>190,111</b>	<b>137,112</b>

**NOTE 7. RECEIVABLES**

	2016 \$	2015 \$
Trade and sundry debtors	36,660	24,175
Provision for doubtful debts	(4,000)	(1,661)
<b>Total receivables</b>	<b>32,660</b>	<b>22,514</b>

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

	2016 \$	2015 \$
<b>Office furniture and equipment:</b>		
At cost	7,062	6,753
Accumulated depreciation	(2,538)	-
At Fair Value	26,131	26,131
Accumulated depreciation	(7,862)	-
<b>Total office furniture &amp; equipment</b>	<b>22,793</b>	<b>32,884</b>
<b>Program Equipment:</b>		
At cost	17,800	-
Accumulated depreciation	(1,377)	-
At Fair Value	5,824	5,824
Accumulated depreciation	(1,827)	-
<b>Total program equipment</b>	<b>20,420</b>	<b>5,824</b>
<b>Total property, plant and equipment</b>	<b>43,213</b>	<b>38,708</b>

**(a) Movements in carrying amounts**

	PROGRAM EQUIPMENT \$	OFFICE FURNITURE & EQUIPMENT \$	TOTAL \$
<b>Balance at 1 July 2014</b>	<b>3,126</b>	<b>17,377</b>	<b>20,463</b>
Additions	-	6,753	6,753
Asset Revaluation	3,634	14,958	18,592
Depreciation expense	(936)	(6,164)	(7,100)
<b>Balance at 30 June 2015</b>	<b>5,824</b>	<b>32,884</b>	<b>38,708</b>
Additions	17,800	309	18,109
Depreciation expense	(3,204)	(10,400)	(13,604)
<b>Carrying amount at 30 June 2016</b>	<b>20,420</b>	<b>22,793</b>	<b>43,213</b>

NOTE 9. PAYABLES

	2016 \$	2015 \$
Trade and sundry creditors	7,067	22,675
Goods and services tax payable	9,687	9,406
Pay-as-you-go withholding tax payable	2,420	10,414
Superannuation payable	-	7,210
<b>Total payables</b>	<b>19,174</b>	<b>49,705</b>

NOTE 10. INCOME RECEIVED IN ADVANCE

	2016 \$	2015 \$
Grants in advance	35,175	68,010
Fees in advance	29,865	-
<b>Total income received in advance</b>	<b>65,039</b>	<b>68,010</b>

NOTE 11. PROJECT FUNDS HELD

	2016 \$	2015 \$
Errol's Angels Community Choir Project	6,844	5,724
<b>Total project funds held</b>	<b>6,844</b>	<b>5,724</b>

NOTE 12. PROVISIONS

	2016 \$	2015 \$
<b>Current</b>		
Employee benefits		
Annual leave	26,756	15,955
<b>Total current</b>	<b>26,756</b>	<b>15,955</b>
<b>Non-current</b>		
Employee benefits		
Long-service leave	17,378	11,613
<b>Total non-current</b>	<b>17,378</b>	<b>11,613</b>
<b>Total provisions</b>	<b>44,134</b>	<b>27,568</b>

(a) Movements in carrying amounts

	ANNUAL LEAVE \$	LONG SERVICE LEAVE \$	TOTAL \$
<b>Balance at 1 July 2014</b>	<b>19,720</b>	<b>8,332</b>	<b>28,052</b>
Net provisions made during year	(3,765)	3,281	(484)
<b>Balance at 30 June 2015</b>	<b>15,955</b>	<b>11,613</b>	<b>27,568</b>
Net provisions made during year	10,801	5,765	16,566
<b>Carrying amount at 30 June 2016</b>	<b>26,756</b>	<b>17,378</b>	<b>44,134</b>

## NOTE 13. EQUITY AND RESERVES

### (a) Movements in carrying amounts

	FIXED ASSET RESERVE \$	ASSET REVALUATION RESERVE \$	PROGRAM & OTHER RESERVES \$	RETAINED EARNINGS \$	TOTAL EQUITY \$
<b>Balance at 1 July 2014</b>	<b>20,463</b>	<b>-</b>	<b>15,000</b>	<b>(2,590)</b>	<b>32,873</b>
Increase (decrease) for year	(20,463)	18,592	(15,000)	70,378	53,507
<b>Balance at 30 June 2015</b>	<b>-</b>	<b>18,592</b>	<b>-</b>	<b>67,788</b>	<b>86,380</b>
Increase (decrease) for year	-	-	-	50,234	50,234
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>18,592</b>	<b>-</b>	<b>118,022</b>	<b>136,614</b>

### (b) Nature and purpose of reserves

#### Asset revaluation reserve

The asset revaluation reserve is comprised of the changes in the fair value of fixed Assets owned by the organisation, i.e., the difference between the book value less accumulated depreciation of any asset and the determined fair value.

#### Retained Earnings

This represents the level of unrestricted funds available for general use in the future.

## NOTE 14. CASH FLOW INFORMATION

	2016 \$	2015 \$
<b>Reconciliation of net result from statement of comprehensive income with cash flow from operating activities</b>		
Net result for the period	50,234	60,226
Items in net result classified as investing activities		
Capital grants	-	-
Items in net result classified as financing activities		
Net interest received (paid)	-	-
Equity Invested in operating activities	-	-
Non-cash flows in net result		
Depreciation	13,604	7,100
Net (gain) loss on disposal of non-current assets	-	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(10,146)	20,643
(Increase) decrease in prepayments & other current assets	33,232	(27,044)
Increase (decrease) in payables	(30,531)	11,638
Increase (decrease) in provisions	16,566	1,556
Increase (decrease) in project funds held	1,120	5,724
Increase (decrease) in income received in advance	(2,970)	(30,369)
<b>Net cash inflow (outflow) from operating activities</b>	<b>71,109</b>	<b>49,474</b>

## NOTE 15. OPERATING LEASE COMMITMENTS

The Centre has a 24-month operating lease on photocopy equipment which commenced in February 2016. At balance date, the remaining lease commitment was \$4,321 (2015: \$2,786).

The Centre also has a peppercorn lease arrangement on property. The applicable lease commitment at balance date was \$10 (2015: \$10).

## NOTE 16. AUDITORS' REMUNERATION

	2016 \$	2015 \$
Remuneration of the auditors of the association		
Audit of the annual financial report	1,650	1,500
<b>Total auditors' remuneration</b>	<b>1,650</b>	<b>1,500</b>

## NOTE 17. DIRECTORS' REMUNERATION AND ATTENDANCE

### (a) Directors Remuneration

Members of the Management Committee do not receive any remuneration for being a committee member. They are reimbursed for any reasonable expenses incurred that relate to their service as a Committee Member or the furtherance of the activities of the association.

### (b) Attendance at meetings

COMMITTEE MEMBER	DATE APPOINTED	DATE RETIRED	MEETINGS ATTENDED	MEETINGS HELD*
Mr. Karl Hessian - Chairperson	1 February 2010	-	8	9
Mrs. Lorna Hannan - Vice Chairperson	26 February 2007	26 October 2015	2	3
Mr. Malcolm Peacock - Vice Chairperson	30 September 2013	-	8	9
Ms. Doone Clifton - Treasurer	29 November 2011	-	9	9
Mrs. Margaret Wood - Secretary	30 September 2013	-	6	9
Mrs. Kathleen McPherson - Director	30 September 2013	-	5	9
Dr. Nancy Lane - Director	29 November 2011	23 May 2016	5	8
Mr Bill Liddy - Director - Director	26 October 2009	-	8	9
Mr. Benjamin O'Connor - Director	22 June 2015	-	5	9
Ms. Tianhong Wu - Director	23 November 2015	-	4	6

\* Represents the number of meetings held in the year that the member was eligible to attend.

## NOTE 18. SUBSEQUENT EVENTS

As at the date that this report was signed the committee members believed that there were no events subsequent to the balance date on 30 June 2016 that will have a material impact on the figures or other disclosures in this report.

## NOTE 19. ASSOCIATION DETAILS

The registered office, and principal place of business, of the association is:

58 Errol Street  
North Melbourne VIC 3051



Figure 4 - Spring Fling 2015



Figure 5 - Spring Fling 2015



Figure 6 - Spring Fling 2015



Figure 7 - Spring Fling 2015


## DECLARATION

Annual statements give a true & fair view of financial position and performance of the association.

**We, Karl Hessian and Doone Clifton, being members of The Centre: Connecting Community in North and West Melbourne Incorporated, certify that -**

The annual financial statements attached to this certificate, as set out on pages 7 to 18, give a true and fair view of the financial position and performance of The Centre: Connecting Community in North and West Melbourne Incorporated, during and at the end of the financial year of the association ending on 30 June 2016.

Signed:   
Karl Hessian - Chairperson

Signed:   
Doone Clifton - Treasurer

Dated this 26 day of SEPTEMBER 2016.

## INDEPENDENT AUDITORS REPORT

### **Independent Auditors Report to the Members of The Centre: Connecting Community in North & West Melbourne Inc.**

#### **Scope**

We have audited the financial statements of The Centre: Connecting Community in North & West Melbourne Inc. (the "Association") which comprises of the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, for the year ended 30 June 2016. The Committee is responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members.

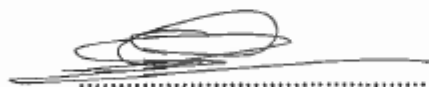
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements, so as to present a view which is consistent with our understanding of the Association's financial position, the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

#### **Audit Opinion**

In our opinion, the financial statements present fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements the financial position of The Centre: Connecting Community in North & West Melbourne Inc. as at 30 June 2016 and of the results of its operations for the year then ended.

DATED this 14 day of September, 2016.

  
.....(signed)

**EUGENE ODACHOWSKI**

**REGISTERED COMPANY AUDITOR (Reg No: 9182)**

Unit 7, 617-643 Spencer Street, West Melbourne, VIC 3003

Telephone No: (03) 9376 3455

Facsimile No: (03) 9329 5747




## SOLVENCY STATEMENT

Association able to pay its debts as and when they fall due

**We, Karl Hessian and Doone Clifton, being members of The Centre: Connecting Community in North and West Melbourne Incorporated, certify that -**

At the meeting of the Board on the 26th day of September 2016 the committee accepted the annual financial statements attached to this certificate, as set out on pages 7 to 18, and further resolved that as at the date of this certificate the association was solvent and able to pay its debts as and when they fall due.

Signed:   
Karl Hessian - Chairperson

Signed:   
Doone Clifton - Treasurer

Dated this 26 day of SEPTEMBER 2016.

## RISK ATTESTATION

Attestation of compliance with the Australian/New Zealand Risk Management Standard

**We, Karl Hessian and Doone Clifton, being members of The Centre: Connecting Community in North and West Melbourne Incorporated, certify that –**

- risk management processes are in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard)
- an internal control system is in place that enables the management committee to understand, manage and satisfactorily control risk exposures
- the management committee have critically reviewed the risk profile of The Centre: Connecting Community in North and West Melbourne Inc. within the last 12 months.

Signed:   
Karl Hessian - Chairperson

Signed:   
Doone Clifton - Treasurer

Dated this 26 day of SEPTEMBER 2016.

The Centre: Connecting Community in North & West Melbourne Inc.  
ABN 21 236 030 938

## CERTIFICATION

Certification by member of the Board

**I, Karl Hessian, certify that –**

- i. I attended the annual general meeting of The Centre: Connecting Community in North & West Melbourne Inc. held on the 26th day of September 2016; and
- ii. That the annual financial statements for the year ended 30 June 2016 were submitted to the members of the association at its annual general meeting.

Signed:   
Karl Hessian – Chairperson

Dated this 26 day of SEPTEMBER 2016

