



the centre

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

CONTENTS

ABOUT THE CENTRE	2
ACKNOWLEDGEMENTS.....	3
THE FINANCIAL YEAR AT A GLANCE.....	4
SUMMARY FINANCIAL DATA & KEY INDICATORS	5
CHAIR'S REPORT	7
DIRECTOR'S REPORT.....	8
STATEMENT OF COMPREHENSIVE INCOME.....	9
STATEMENT OF FINANCIAL POSITION.....	10
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF CASH FLOWS.....	12
NOTES TO THE FINANCIAL STATEMENTS	13
NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.....	13
NOTE 2. GRANTS & OTHER INCOME	16
NOTE 3. EMPLOYEE BENEFITS	16
NOTE 4. PROGRAM COSTS.....	16
NOTE 5. OTHER EXPENSES.....	16
NOTE 6. CASH AND CASH EQUIVALENTS	17
NOTE 7. RECEIVABLES.....	17
NOTE 8. PROPERTY, PLANT AND EQUIPMENT	17
NOTE 9. PAYABLES	18
NOTE 10. INCOME RECEIVED IN ADVANCE.....	18
NOTE 11. PROJECT FUNDS HELD	18
NOTE 12. PROVISIONS	18
NOTE 13. EQUITY AND RESERVES	19
NOTE 14. CASH FLOW INFORMATION.....	19
NOTE 15. OPERATING LEASE COMMITMENTS	19
NOTE 16. AUDITORS' REMUNERATION	19
NOTE 17. DIRECTORS' REMUNERATION AND ATTENDANCE.....	20
NOTE 18. SUBSEQUENT EVENTS	20
NOTE 19. ASSOCIATION DETAILS.....	20
DECLARATION	21
INDEPENDENT AUDITORS REPORT	22
SOLVENCY STATEMENT.....	23
RISK ATTESTATION.....	24
CERTIFICATION.....	25



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 been providing services to the North and West Melbourne Community for over 44 years. It continues to be 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 isolation and ultimately improves the wellbeing of the community's members. This year, with funding provided by City of Melbourne, The Centre expanded its reach to include Melbourne Docklands, opening a 'Pop Up' Neighbourhood House in The District shopping precinct in the heart of Docklands. The Centre works closely with other community partners and local associations 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 2020 were:

- ✚ Mr. Karl Hessian - Chair
- ✚ Mrs. Lorna Hannan - Vice Chair
- ✚ Mrs. Margaret Wood - Director
- ✚ Mrs. Kathleen McPherson - Treasurer
- ✚ Mr. Bill Liddy - Director
- ✚ Mr. Benjamin O'Connor - Director
- ✚ Mrs. Kay Oke - Secretary
- ✚ Ms. Kate Ritchie - Director

The Committee has delegated responsibility for the day to day operation of The Centre to a Centre Director. The current Centre Director is Mr. Thomas Seddon. Mr Seddon was appointed to the role in May 2018.



The Centre's programs and activities include educational programs, community activities and events including:



Like many organisations The Centre's activities have been severely impacted by the Covid-19 Pandemic with both The Centre in Errol Street and The Pop Up at Docklands forced to close their doors in March. To date neither site has reopened. The Spanish Language Fiesta planned for April was cancelled along with most of our regular programs. Spring Fling scheduled for October will not proceed either. However with continuing support from our funders and the additional Covid-19 funding provided by government, The Centre has been able to retain all its Staff who have been supporting our clientele remotely and working to prepare for a very different way of working when we are again able to open our doors.

ACKNOWLEDGEMENTS



The Centre is a founding member of the Inner North Cluster

Key Partners & Supporters



Major Donors & Sponsors



The Ross Trust is major donor supporting our Homework Club.



Alex Karbon is a major sponsor of the Spring Fling festival.



City West Water is a Sponsor of both Spring Fling and the Spanish Language Fiesta.



Flexicar is a significant Sponsor of Spring Fling.



Costco is a significant Sponsor of Spring Fling.

The Centre wishes to thank the above donors and sponsors for their generosity as well as all those individuals that made donations directly or via our on-line fundraising campaigns, or volunteered their time, to support our Homework Club, Spring Fling or other activities at The Centre. Thank you all.

Auditors

JP Hardwick & Associates

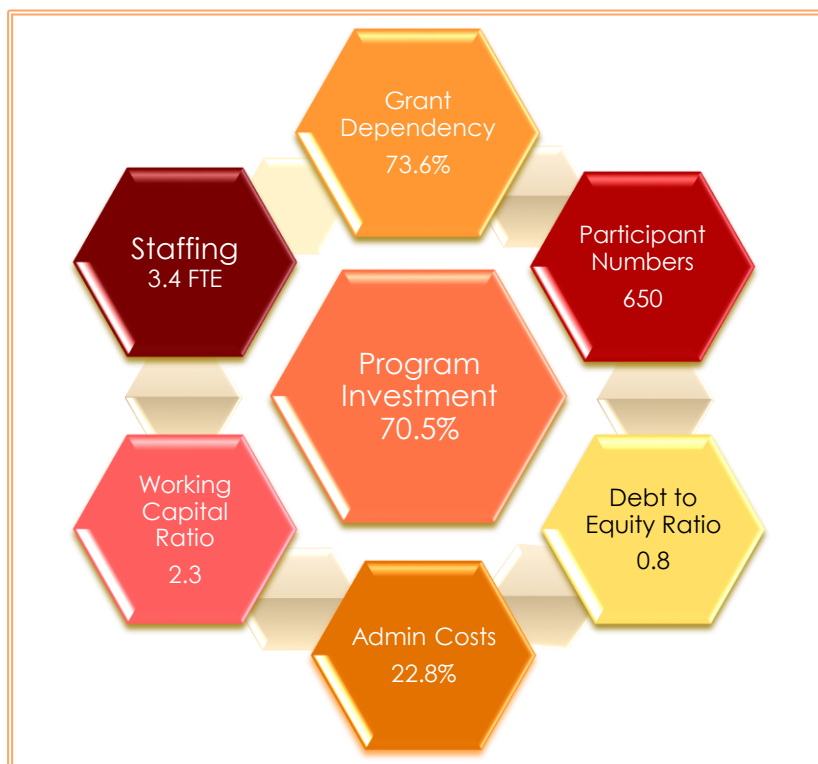
Mr Stephen George Le Couilliard IPA
Mr Michael Adasko CPA
J P Hardwick & Associates
Unit 7, 617-643 Spencer Street
West Melbourne, VIC 3003

THE FINANCIAL YEAR AT A GLANCE

HEADLINES



KEY INDICATORS

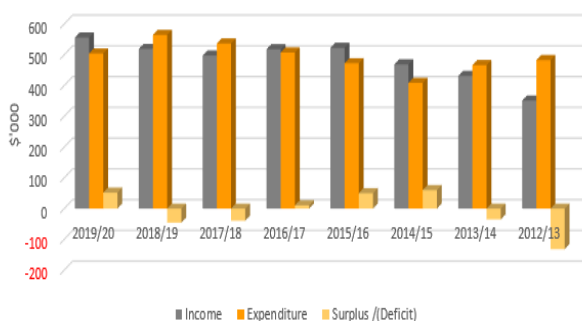


SUMMARY FINANCIAL DATA & KEY INDICATORS

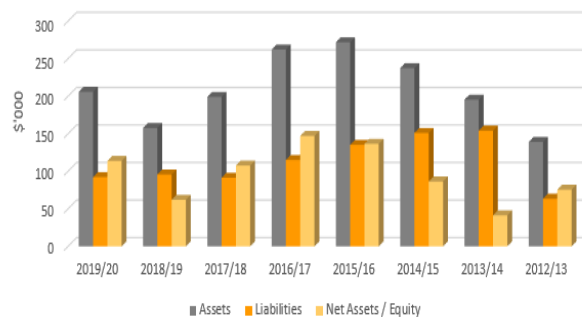
(a) Headline Data & Indicators - 7 Year Comparison

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
	\$	\$	\$	\$	\$	\$	\$	\$
Income	556,079	518,988	497,509	518,152	522,839	468,903	431,295	351,192
Expenditure	504,317	564,688	536,880	507,697	472,605	408,677	466,419	482,760
Surplus /(Deficit)	51,762	(45,700)	(39,371)	10,455	50,234	60,226	(35,124)	(131,568)
Assets	205,938	157,640	199,082	262,112	271,805	237,387	195,331	139,036
Liabilities	92,177	95,641	91,383	115,043	135,191	151,007	154,126	63,450
Net Assets / Equity	113,761	61,999	107,699	147,069	136,614	86,380	32,873	75,586
Working capital ratio (target > 1.5)	2.3	1.6	2.1	2.3	1.9	1.4	1.1	2.0
Debt to equity ratio (target <0.8)	0.8	1.5	0.8	0.8	0.9	1.7	4.7	0.8

Operating Result



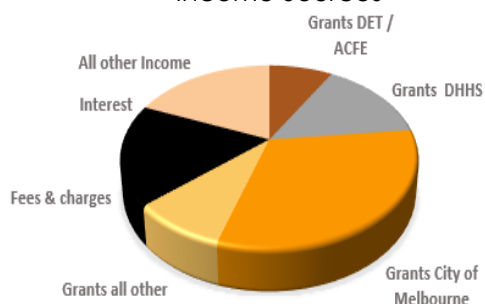
Assets & Liabilities



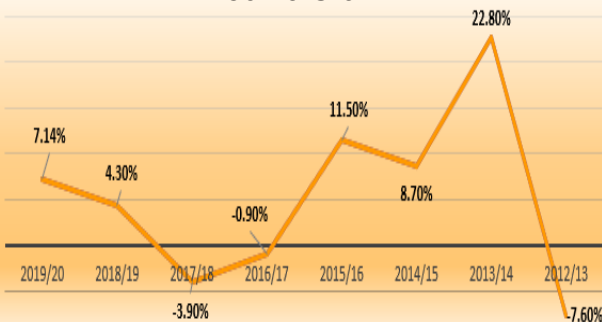
(b) Income - 7 Year Comparison

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
	\$	\$	\$	\$	\$	\$	\$	\$
Grant income – DET / ACFE	46,220	60,624	76,653	60,504	141,510	58,689	109,888	65,281
Grant Income - DHHS	83,033	79,277	60,007	57,206	54,421	51,809	49,077	46,380
Grant Income – City of Melbourne	175,256	129,364	127,684	140,872	136,411	115,668	117,692	140,007
Grant income - all other	49,074	25,048	28,959	66,679	63,115	25,218	7,373	13,500
Fees & charges	98,941	130,288	119,953	113,601	91,214	87,489	80,996	54,093
Interest	698	1,921	1,947	1,857	562	431	950	6,610
All other Income	102,857	92,466	82,306	77,433	35,606	129,599	65,319	25,321
Total Income	556,079	518,988	497,509	518,152	522,839	468,903	431,295	351,192
Income growth on previous year	7.1%	4.3%	(3.9%)	(0.9%)	11.5%	8.7%	22.8%	(7.6%)
ACFE grants as % total income (target < 50%)	8.3%	11.6%	15.4%	11.7%	27.1%	12.5%	25.4%	18.5%
All grants as % total income (target < 75%)	63.6%	56.7%	58.9%	62.8%	75.6%	53.6%	65.8%	75.5%

Income Sources

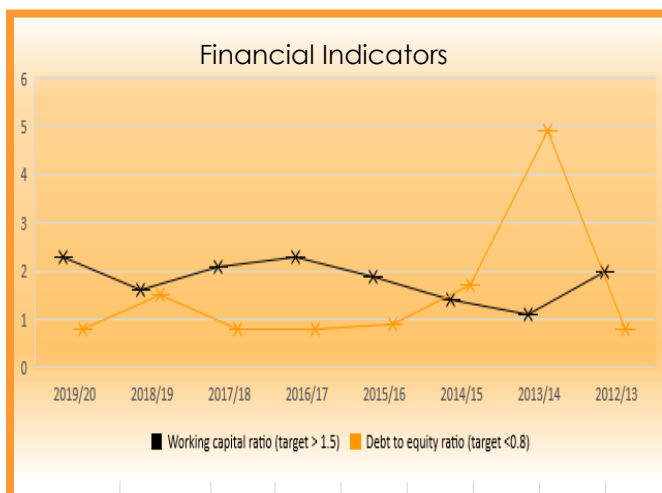
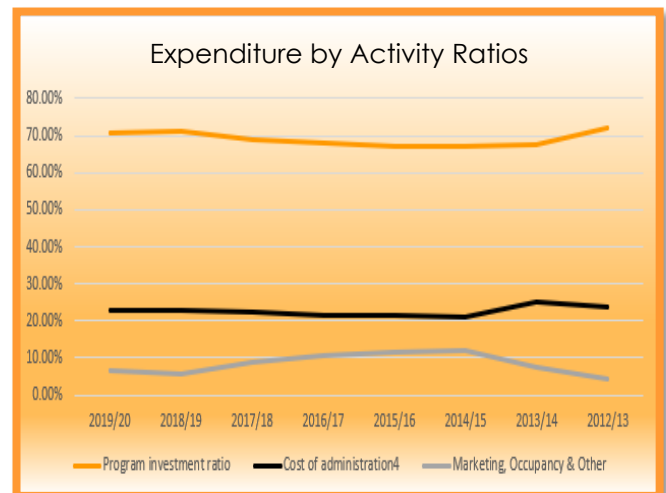
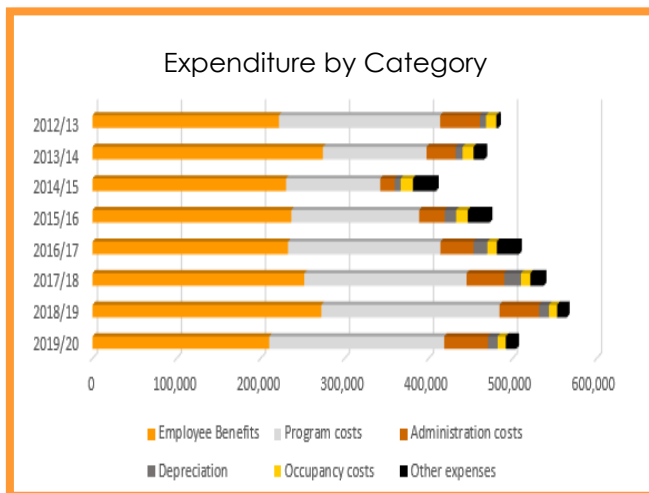


Income Growth



(c) Expenditure - 7 Year Comparison

	2019/20 \$	2018/19 \$	2017/18 \$	2016/17 \$	2015/16 \$	2014/15 \$	2013/14 \$	2012/13 \$
Employee Benefits ¹	210,436	272,432	252,145	232,643	236,614	230,380	274,305	221,936
Program costs	208,249	212,026	193,103	181,549	152,195	112,137	123,227	191,936
Administration costs	52,046	47,043	44,793	39,293	30,399	17,262	34,709	47,179
Depreciation	11,488	11,724	19,904	16,630	13,604	7,100	8,183	7,393
Occupancy costs	9,690	9,790	11,123	11,115	13,867	14,559	13,132	12,136
Other expenses ²	12,408	11,529	15,812	26,467	25,926	27,239	12,863	2,180
Total expenses	504,317	564,688	536,880	507,697	472,605	408,677	466,419	482,760
Program cost ratio ³	37.5%	37.5%	35.9%	35.8%	32.2%	27.4%	26.4%	39.8%
Program investment ratio ⁴	70.5%	71.3%	68.8%	67.8%	67.2%	66.9%	67.6%	71.9%
Program investment split (Direct program: program support)	85:15	85:15	84:16	87:13	85:15	83:17	83:17	87:13
Total staffing (average FTE)	3.4	3.4	3.4	4.2	3.2	3.4	4.4	3.0
Staff cost ratio ¹	41.7%	48.2%	46.9%	45.8%	50.1%	56.4%	58.9%	46.0%
Cost of administration ⁴	22.8%	22.8%	22.4%	21.5%	21.4%	21.1%	25.1%	23.6%



Staffing		
Year	Staffing - Average FTE	Staff Cost %
2019/20	4 people icons	41.7%
2018/19	4 people icons	48.2%
2017/18	4 people icons	46.9%
2016/17	5 people icons	45.8%
2015/16	4 people icons	50.1%
2014/15	4 people icons	56.4%
2013/14	5 people icons	58.9%
2012/13	3 people icons	46.0%

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

² Includes advertising, promotion, marketing & fundraising costs.

³ All ratios calculated as a % of total expenditure

⁴ Includes allocation of employee benefits as detailed above – see footnote 1.

CHAIR'S REPORT



This year's report is a reminder that there were nine months of more or less usual operations that preceded the final distorting three, even if it doesn't feel like that.

The final quarter, in which so much cherished activity and community engagement was abruptly suspended, looms over everything and puts all else in the shade.

There are only two things to be said. The first and most important is to sincerely thank all the staff, volunteers, contractors, and everybody else who assists in the running of The Centre. This year you have been subjected to extraordinary stresses, uncertainties, and disappointments. In March you quickly accepted our changed reality and dealt with it. You

have continually kept probing to tweak or develop new ways of working and you have adapted well and with grace. I am grateful to each of you.

Second, I need to acknowledge the financial support provided by all levels of Government. This has taken two forms: a relaxation of delivery requirements for existing grants and further cash. Each has been very much appreciated and has ensured that we could retain all our staff and remain viable. In large part due to this support we have generated a surplus. This is a humbling position to be in. As soon as possible this surplus will be re-invested back into our community and spent for the benefit of all.

Thank you to everybody in North and West Melbourne for your continuing support.

Karl Hessian
Chair

September 2020

DIRECTOR'S REPORT



Neighbourhood houses are for everyone. Anyone can join The Centre, and it is free. We offer a range of programs and anyone can suggest new ones. Even better, become a Centre volunteer and help us make your idea happen.

The Centre is the publisher of the North & West Melbourne News. In addition to these annual financial statements The Centre has traditionally produced a thick annual report on the year to 30 June 2020 distributed to and read by few. This year we decided to strip it back to basics and distribute it via the Spring issue of the News. This report, that includes a summary of these financial statements, will therefore reach approximately 6,500 households in North and West Melbourne.

COVID-19's arrival in Australia at the end of February made 2019/20 a year of two very different parts. The first eight months of the year ran as scheduled. But come March—as limitations on events and “social distancing” came in, and schools began to close—we cancelled the 2020 Spanish Language Fiesta.

Soon after that the Centre itself was required to close along with our Pop-Up Neighbourhood House in Docklands, only opened in December. Like so many others, Centre staff learnt to work from home and to conduct meetings by video. Board meetings, too, moved online.

Financially, the Centre like many other institutions faced a sudden drop in income as programs suddenly stopped. State and federal programs provided support to keep The Centre afloat as restrictions continue even now. For the year as a whole, the association reported income of \$556,080 and expenses of \$504,318 leaving a surplus of \$51,762. After two consecutive annual shortfalls, planning for and achieving a surplus even in these strange times was a necessity.

During the year Community Development Coordinator Carolynne Venn and Events Coordinator Tatiana Echeverri moved on to new challenges, leaving behind important legacies: Carolynne drove the successful establishment of our Docklands Pop Up Neighbourhood House and Tatiana founded our popular annual Spanish Language Fiesta. We welcomed incoming Community Development Coordinator Stacey Halls and former student intern-turned Community Development Officer Jason Butcher.

As well as Neighbourhood House Coordination Program funding from the Dept of Health & Human Services, The Centre receives operational funding from the City of Melbourne and we value the close working relationship we have at Town Hall with Tallia, Melanie, Ariel and Siobhan.

As ever, The Centre owes a big thank-you to our Spring Fling volunteers, the folks who write, produce and deliver this newspaper, homework club tutors, our staff and office volunteers and board members. Also, to everyone who takes part in a Centre program from exercise classes to Errol's Angels Community Choir to staying mentally sharp in an IT class.

Tom Seddon
Director

September 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
INCOME			
Government and other grants			
- City of Melbourne	2	175,985	129,364
- Department of Education and Training	2	46,220	60,625
- Department of Human Services	2	83,033	79,277
- Other	2	48,345	28,048
Course and activity fees	2	98,941	130,288
Other income	2	103,556	94,387
TOTAL INCOME		556,080	518,988
EXPENDITURE			
Employee benefits	3	(209,497)	(272,432)
Advertising and promotion		(1,252)	(1,809)
Depreciation	8	(11,487)	(11,724)
Occupancy costs		(9,690)	(9,690)
Program costs - contractors	4	(98,411)	(104,973)
Program costs - other	4	(108,973)	(107,054)
Other expenses	5	(65,008)	(56,908)
TOTAL EXPENDITURE		(504,318)	(564,688)
NET RESULT FOR THE PERIOD	16	51,762	(45,700)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		51,762	(45,700)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	157,569	112,129
Receivables	7	19,914	17,692
Prepayments & other current assets		4,367	5,665
Total current assets		181,850	135,486
Non-current assets			
Property, plant, and equipment	8	24,088	22,154
Total non-current assets		24,088	22,154
TOTAL ASSETS		205,938	157,640
LIABILITIES			
Current liabilities			
Payables	9	24,156	29,818
Provisions	12	23,726	21,524
Income received in advance	10	25,327	30,433
Project funds held	11	4,951	-
Total current liabilities		78,160	81,775
Non-current liabilities			
Provisions	12	14,017	13,866
Total non-current liabilities		14,017	13,866
TOTAL LIABILITIES		92,177	95,641
NET ASSETS		113,761	61,999
EQUITY			
Reserves		18,592	18,592
Retained earnings		95,169	43,407
TOTAL EQUITY	13	113,761	61,699

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained Earnings	Reserves	TOTAL
		\$	\$	\$
BALANCE AT 30 JUNE 2018		89,106	18,592	107,699
Comprehensive income (expense) for the year		(45,700)	-	(45,700)
Amount transferred (to) from reserves		-	-	-
BALANCE AT 30 JUNE 2019		43,407	18,592	61,999
Comprehensive income (expense) for the year		51,762	-	51,762
Amount transferred (to) from reserves		-	-	-
BALANCE AT 30 JUNE 2020	13	95,169	18,592	113,761

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government and other grants		353,583	300,474
Other receipts		182,563	214,460
Employee benefits paid		(189,524)	(224,772)
Payments to suppliers		(287,761)	(331,813)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	14	58,861	(41,651)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,421)	(7,393)
Proceeds from sale of property, plant and equipment		-	675
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(13,421)	(6,718)
CASH FLOW FROM FINANCING ACTIVITIES			
Net interest received (paid)		-	-
Equity invested in Non-current Assets		-	-
Equity invested in Operating Activities		-	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		-	-
NET INCREASE (DECREASE) IN CASH HELD		45,440	(48,639)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		112,129	160,498
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	157,569	112,129

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared 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 accrual 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 2020 and the comparative information for the year ended 30 June 2019.

(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.



Centre Adventure 2019 – Tarrawarra Museum of Art



Bill Liddy - Phonse Tobin Award Winner 2019



VP Day 2019



Boomerang Bags



Pop up Neighbourhood House Docklands

NOTE 2. GRANTS & OTHER INCOME

	2020 \$	2019 \$
Grants		
City of Melbourne	175,985	129,364
Department of Education and Training	46,220	60,625
Department of Human Services	83,033	79,277
Other Grants	48,345	25,048
Total grants	353,583	294,314
Trading & Other Income		
North & West Melbourne News advertising and subscription revenue	15,857	11,461
Spring Fling Festival sponsorship and stall hire revenue	29,061	40,157
Errol's Angels membership fees	6,830	13,241
Course Fees	67,841	105,586
Interest	698	1,921
All other	82,210	52,308
Total Trading & other income	202,497	224,674
Total income	556,080	518,988

NOTE 3. EMPLOYEE BENEFITS

	2020 \$	2019 \$
Salaries and wages	181,049	243,697
Leave provisions	5,758	3,845
Superannuation	19,120	21,241
Workcover	3,021	3,145
Other benefits	549	504
Total employee benefits	209,497	272,432

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 and the Spanish Language Fiesta.

The current period includes project expenses relating to the delivery of the most recent Spring Fling Festival held in October 2019. Due to Covid-19 restrictions the Spanish Language Fiesta to be held in April 2020 was cancelled.

NOTE 5. OTHER EXPENSES

	2020 \$	2019 \$
Audit fees	1,700	1,600
Bank charges	859	1,021
Communications	3,137	3,745
Computer and IT costs	7,781	6,486
Other staffing & volunteer costs	1,111	8,596
Meeting and governance expenses	994	1,838
Printing and stationery	14,561	12,191
All other expenses	34,865	21,431
Total other expenses	65,008	56,908

NOTE 6. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash in bank accounts	137,088	36,520
Cash in term deposits	20,081	75,409
Cash on hand	400	200
Total cash and cash equivalents	157,569	112,129

NOTE 7. RECEIVABLES

	2020 \$	2019 \$
Trade and sundry debtors	19,914	17,692
Provision for doubtful debts	-	-
Total receivables	19,914	17,692

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

	2020 \$	2019 \$
Office furniture and equipment:		
At cost	22,311	15,818
Accumulated depreciation	(14,501)	(11,861)
At Fair Value	13,521	13,521
Accumulated depreciation	(13,521)	(13,521)
Total office furniture & equipment	7,810	3,957
Program Equipment:		
At cost	43,342	36,415
Accumulated depreciation	(27,064)	(18,218)
At Fair Value	3,452	3,452
Accumulated depreciation	(3,452)	(3,452)
Total program equipment	16,278	18,197
Total property, plant, and equipment	24,088	22,154

(a) Movements in carrying amounts

	PROGRAM EQUIPMENT \$	OFFICE FURNITURE & EQUIPMENT \$	TOTAL \$
Carrying amount at 30 June 2018	20,129	6,530	26,659
Additions	5,452	1,941	7,393
Disposals	(175)	-	(175)
Depreciation expense	(7,209)	(4,514)	(11,723)
Carrying amount at 30 June 2019	18,197	3,957	22,154
Additions	6,927	6,494	13,421
Disposals	-	-	-
Depreciation expense	(8,846)	(2,641)	(11,487)
Carrying amount at 30 June 2020	16,278	7,810	24,088

NOTE 9. PAYABLES

	2020 \$	2019 \$
Trade and sundry creditors	9,594	23,710
Goods and services tax payable	11,236	2,352
Pay-as-you-go withholding tax payable	3,126	3,556
Superannuation payable	-	-
Bonds Held	200	200
Total payables	24,156	29,818

NOTE 10. INCOME RECEIVED IN ADVANCE

	2020 \$	2019 \$
Grants in advance	20,459	28,190
Fees in advance	4,868	2,243
Total income received in advance	25,327	30,433

NOTE 11. PROJECT FUNDS HELD

	2020 \$	2019 \$
Docklands Residents Association	4,951	-
Total project funds held	4,951	-

NOTE 12. PROVISIONS

	2020 \$	2019 \$
Current		
Employee benefits		
Annual leave	23,726	21,524
Total current	23,726	21,524
Non-current		
Employee benefits		
Long-service leave	14,017	13,866
Total non-current	14,017	13,866
Total provisions	37,743	35,390

(a) Movements in carrying amounts

	ANNUAL LEAVE \$	LONG SERVICE LEAVE \$	TOTAL \$
Carrying amount at 30 June 2018	20,776	10,770	31,546
Net provisions made during year	748	3,096	3,844
Carrying amount at 30 June 2019	21,524	13,866	35,390
Net provisions made during year	2,202	151	3,844
Carrying amount at 30 June 2020	23,726	14,017	37,743

NOTE 13. EQUITY AND RESERVES

(a) Movements in carrying amounts

	ASSET REVALUATION RESERVE \$	RETAINED EARNINGS \$	TOTAL EQUITY \$
Balance at 30 June 2018	18,592	89,107	107,699
Increase (decrease) for year	-	(45,700)	(45,700)
Balance at 30 June 2019	18,592	43,407	61,999
Increase (decrease) for year	-	51,762	51,762
Balance at 30 June 2020	18,592	95,169	113,761

(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

	2020 \$	2019 \$
Reconciliation of net result from statement of comprehensive income with cash flow from operating activities		
Net result for the period	51,762	(45,700)
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	11,487	11,723
Net (gain) loss on disposal of non-current assets	-	(501)
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(2,221)	(8,364)
(Increase) decrease in prepayments & other current assets	1,298	(3,068)
Increase (decrease) in payables	(5,688)	18,129
Increase (decrease) in provisions	2,353	3,845
Increase (decrease) in project funds held	4,951	(6,935)
Increase (decrease) in income received in advance & other current liabilities	(5,081)	(10,780)
Net cash inflow (outflow) from operating activities	58,861	(41,651)

NOTE 15. OPERATING LEASE COMMITMENTS

The Centre had a 48-month operating lease on photocopy equipment which commenced in August 2019. At balance date the remaining lease commitment was \$6,194 (2019: \$0.00)

The Centre also has a peppercorn lease arrangement on property. The applicable lease commitment at balance date was \$104 (2019: \$10).

NOTE 16. AUDITORS' REMUNERATION

	2020 \$	2019 \$
Remuneration of the auditors of the association		
Audit of the annual financial report	1,700	1,600
Total auditors' remuneration	1,700	1,600

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 - Chair	1 February 2010	-	8	11
Mrs. Kathleen McPherson - Treasurer	30 September 2013	-	11	11
Mr. Malcolm Peacock - Director	30 September 2013	7 October 2019	3	3
Mr. Michael Halls - Director	25 September 2017	7 October 2019	2	3
Mrs. Margaret Wood - Director	30 September 2013	-	9	11
Mr. Bill Liddy - Director	26 October 2009	-	11	11
Mr. Benjamin O'Connor - Director	22 June 2015	-	6	11
Ms. Lorna Hannah - Vice Chair	7 October 2019	-	7	7
Mrs. Kay Oke - Secretary	7 October 2019	-	7	7
Ms. Kate Ritchie - Director	24 February 2020	-	4	4

* 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 after the balance date on 30 June 2020 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



Errol's Angels Christmas Carols in Errol Street 2019



Spanish Language Fiesta 2019



Spring Fling 2019



Spring Fling 2019

DECLARATION

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

We, Karl Hessian and Kathleen McPherson, 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 9 to 20, 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 2020.

Signed: 
Karl Hessian - Chairperson

Signed: 
Kathleen McPherson - Treasurer

Dated this 18th day of September 2020.

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 30th June 2020. 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 30th June 2020 and of the results of its operations for the year then ended.

DATED this 17th day of September 2020.



.....
Stephen George Le Couilliard
ASIC Registered Company Auditor No:8579
JP Hardwick & Associates
Unit 7, 617-643 Spencer Street
West Melbourne, VIC 3003

SOLVENCY STATEMENT

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

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

At the meeting of the Board on the 18th day of September 2020 the committee accepted the annual financial statements attached to this certificate, as set out on pages 9 to 20, 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: 
Kathleen McPherson - Treasurer

Dated this 18th day of September 2020.

RISK ATTESTATION

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

We, Karl Hessian and Kathleen McPherson, 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: 
Kathleen McPherson - Treasurer

Dated this 18th day of September 2020.

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 21st day of September 2020; and
- ii. That the annual financial statements for the year ended 30 June 2020 were submitted to the members of the association at its annual general meeting.

Signed: 
Karl Hessian - Chairperson

Dated this 21st day of September 2020.

