

HOLDEN STREET NEIGHBOURHOOD HOUSE INC

ABN 15 398 624 647

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647

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HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
COMMITTEE'S REPORT

Your committee members present the special purpose financial report on the entity for the financial year ended 30 June 2021.

Committee of Governance Members

The names of committee of governance members throughout the year and at the date of this report are:

Chairperson	Belinda Bravo	
Secretary	Lyn Pedersen	
Treasurer	Chris Weston	Co-opted 20 April 2021/ Treasurer from 15 June 2021
General Member	Chris Opie	
General Member	Melanie Lowe	
General Member	Tatiane Drigo	
General Member	Louise Alexander	
General Member	Dominic Szeker	Co-opted 16 March 2021
General Member	Sarah Hellwege	Co-opted 16 March 2021
Past Treasurer	Richard Lasek	Resigned 15 June 2021

Principle Activities

The principle activities of the entity during the financial year were:

Educational, recreational and skills based programs at low cost. The Association offers information and social support which endeavour to meet the needs of people of all ages, backgrounds, abilities and cultures.

Holden Street Neighbourhood House is a friendly, welcoming community space in the heart of North Fitzroy.

Significant Changes

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The surplus for the year attributable to the entity amounted to \$43,003 (2020: \$41,459 - surplus).

After Balance Date Events

A matter has continued to evolve since 30 June 2021 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

The COVID19 pandemic is likely to induce significant changes in the state of affairs of the association during the financial period ended 30 June 2022. The committee members will take all necessary measures to preserve capital and shepherd the association through this uncertain period.

Signed in accordance with a resolution of the Members of the Committee.

Chairperson

Belinda Bravo

Belinda Bravo

Treasurer

Chris Weston

Chris Weston

Dated this

20th day of September 2021

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

		2021 \$	2020 \$
INCOME			
Grant Funding Income			
State			
Operating	2	200,896	165,730
Local			
Operating	2	78,156	74,137
Other		5,910	5,790
		<u>284,962</u>	<u>245,657</u>
Fundraising Income			
Contributions		95	3,817
Gifts		625	989
		<u>720</u>	<u>4,806</u>
Operating Income			
House hire		2,567	16,806
All other programs		19,714	30,069
		<u>22,281</u>	<u>46,875</u>
Other Income			
Interest		85	153
Cash Flow Boost COVID-19 Payments		19,908	33,517
JobKeeper COVID 19 Subsidies		144,150	63,000
Sponsorships		-	2,000
Sundry income		224	770
		<u>164,367</u>	<u>99,440</u>
TOTAL INCOME		<u>472,330</u>	<u>396,778</u>

The Income and Expenditure Statement is to be read in conjunction with the audit report and the notes to the financial statements.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
EXPENDITURE		
Accounting and bookkeeping	-	11,535
Advertising	4,098	-
Annual leave, sick leave, long service leave	(44,109)	4,988
Audit fees	4,900	2,251
Bad debts	461	206
Bank charges	291	102
Consultancy fees	11,665	35,969
Depreciation	2,735	2,141
Electricity, gas and water	3,081	3,727
Fundraising expenses	-	-
General expenses	133	883
Health and safety	324	173
Insurance	1,576	1,899
Loss on disposal of fixed assets	2,373	-
Office and computer expenses	10,799	8,692
Parking and travel	-	159
Portable Long Service Benefits Scheme Levy	4,287	2,616
Postage	1,141	421
Printing and stationery	14,458	7,334
Professional development	505	1,236
Program costs	25,290	9,246
Rent	320	1,068
Repairs and maintenance	8,405	14,381
Subscriptions and publications	2,585	838
Superannuation	26,644	18,283
Telephone	3,048	2,645
Volunteer and other employee costs	259	1,112
Wages	341,820	221,146
WorkCover	2,238	2,268
TOTAL EXPENDITURE	<u>429,327</u>	<u>355,319</u>
NET SURPLUS/(DEFICIT) FOR THE PERIOD	<u>43,003</u>	<u>41,459</u>

The Income and Expenditure Statement is to be read in conjunction with the audit report and the notes to the financial statements.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	2021 \$	2020 \$
CURRENT ASSETS		
Cash on hand	200	450
Cash at bank	138,750	130,073
Accounts & other receivables	14,594	25,430
Prepayments	2,829	2,988
TOTAL CURRENT ASSETS	156,373	158,941
NON-CURRENT ASSETS		
Furniture and fittings	77,475	83,493
Less accumulated depreciation	(33,261)	(57,344)
	44,214	26,149
TOTAL NON-CURRENT ASSETS	44,214	26,149
TOTAL ASSETS	200,587	185,090
CURRENT LIABILITIES		
Accounts payable and sundry accruals	594	2,171
GST payable	(738)	(27)
PAYG withholding tax payable	3,930	-
Portable Long Service Benefits Scheme Levy Payable	656	2,616
Other payables	19,592	1,090
Grants received in advance	40,570	44,602
Provision for annual leave	11,235	26,535
Provision for time in lieu	236	518
Provision for long service leave	3,199	29,618
TOTAL CURRENT LIABILITIES	79,274	107,123
NON-CURRENT LIABILITIES		
Provision for long service leave	343	-
TOTAL NON-CURRENT LIABILITIES	343	-
TOTAL LIABILITIES	79,617	107,123
NET ASSETS	120,970	77,967
EQUITY		
Accumulated members funds	120,970	77,967
	120,970	77,967

The Statement of Financial Position is to be read in conjunction with the audit report
and the notes to the financial statements.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Members Funds \$	Total \$
Balance as at 1 July 2019	36,508	36,508
Surplus/ (Deficit) attributable to the Association	41,459	41,459
Balance as at 30 June 2020	<u>77,967</u>	<u>77,967</u>
Surplus/ (Deficit) attributable to the Association	43,003	43,003
Balance as at 30 June 2021	<u><u>120,970</u></u>	<u><u>120,970</u></u>

The Statement of Changes in Equity is to be read in conjunction with the audit report and the notes to the financial statements.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government grant recurrent funding		280,930	254,915
Receipts from customers		198,119	131,688
Payments to suppliers and employees		(447,534)	(357,101)
Interest received		85	153
Net cash generated from/(used in) operating activities	(i)	<u>31,600</u>	<u>29,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(23,173)	(527)
Proceeds on disposal of property, plant and equipment		-	-
Net cash (used in)/provided by investing activities		<u>(23,173)</u>	<u>(527)</u>
Net increase/(decrease) in cash held		8,427	29,128
Cash and cash equivalents at beginning of financial year		130,523	101,395
Cash and cash equivalents at end of financial year	(ii)	<u><u>138,950</u></u>	<u><u>130,523</u></u>

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
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NOTES TO THE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note (i). Net cash generated from/(used in) operating activities		
Net surplus for the year	43,003	41,459
Non-cash flow item: depreciation	2,735	2,141
Non-cash flow item: loss on disposal of fixed assets	2,373	-
(Increase)/decrease in trade and other receivables	10,836	(19,280)
(Increase)/decrease in prepayments	159	601
Increase/(decrease) in trade and other payables	18,184	(7,721)
Increase/(decrease) in grants received in advance	(4,032)	9,258
Increase/(decrease) in income received in advance	-	-
Increase/(decrease) in provisions	(41,658)	3,197
	<u><u>31,600</u></u>	<u><u>29,655</u></u>
Note (ii). Cash and cash equivalents at end of financial year		
Cash on hand	200	450
Cash at bank	138,750	130,073
	<u><u>138,950</u></u>	<u><u>130,523</u></u>

The Statement of Cash Flows is to be read in conjunction with the audit report and the notes to the financial statements.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1. Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Holden Street Neighbourhood House Inc, an incorporated association, which is incorporated in Victoria under the Associations Incorporation Reform Act 2012.

Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not for Profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the association in the preparation of the special purpose financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

a. 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 losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets commencing from the time the asset is held ready for use.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1. Statement of Significant Accounting Policies (continued)

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

c. Revenue

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants received for specific programs are recognised as income only to the extent of work completed on those projects when the terms of the grants stipulate that any unexpended funds are to be returned to the sponsor if the program is not completed. In those circumstances the funds attributable to work still to be completed are carried forward as grants income deferred.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers

All revenue is stated net of the amount of goods and services tax (GST).

d. Income Tax

By virtue of its aims as set out in the constitution, the Association qualifies as an organisation specifically exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997*.

e. 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 Taxation 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 expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

f. Employment Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled. Contributions are made by the association to employee superannuation fund and are charged as expenses when incurred.

g. 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.

	2021	2020
	\$	\$
Note 2. Grant Funding Income		
State		
Operating		
Neighbourhood House Coordination Program	130,984	126,211
ACFE	59,729	39,519
Other	10,183	-
	<u>200,896</u>	<u>165,730</u>
Local		
Operating		
City of Yarra	66,136	62,352
Commonwealth Home Support Program	12,020	11,785
	<u>78,156</u>	<u>74,137</u>

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
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 the financial report as set out on pages 2 to 8:

- 1 Presents a true and fair view of the financial position of Holden Street Neighbourhood House Inc as at 30 June 2021 and its performance for the year ended on that date.
- 2 At the date of this statement, there are reasonable grounds to believe that Holden Street Neighbourhood House Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Chairperson

Belinda Bravo

Belinda Bravo

Treasurer

Chris Weston

Chris Weston

Dated:

20th September 2021

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Holden Street Neighbourhood House Inc (the Association), which comprises the statement of financial position as at 30 June 2021, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Committee.

In my opinion, the financial report of the Association is in accordance with the *Australian Charities and Not for Profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1, the Australian Charities and Not for Profits Commission Act 2012 and the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Holden Street Neighbourhood House Inc to meet the requirements of the *Australian Charities and Not for Profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity 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

My 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.

Conclude on the appropriateness of the responsible entities 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Name of Auditor: Frederik R. L. Eksteen

Address: Collins & Co Audit Pty Ltd
127 Paisley Street
Footscray VIC 3011

Date:

HOLDEN STREET NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Belinda Bravo and I, Chris Weston certify that:

- (a) We are members of the committee of governance of Holden Street Neighbourhood House Inc.
- (b) We attended the annual general meeting of the association held on 18 November 2021.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Chairperson Belinda Bravo
Belinda Bravo

Treasurer 
Chris Weston

Dated this 18th day of November 2021