

HOLDEN ST NEIGHBOURHOOD HOUSE INC

ABN 15 398 624 647

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647

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HOLDEN ST 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 2019.

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	Richard Lasek
General Member	Chris Opie
General Member	Melanie Lowe
General Member	Tatiane Drigo
General Member	Louise Alexander

Principal Activities

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

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

The Association's programs provide 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.

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 \$913 (2018: \$11,583 - Deficit).

After Balance Date Events

No significant after balance date events occurred.

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

Chairperson

Belinda Bravo

Treasurer

Richard Lasek

Dated this

day of July 2019

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

		2019 \$	2018 \$
INCOME			
Grant Funding Income			
State			
Operating	2	150,767	162,534
Local			
Operating		79,844	76,769
Other		4,355	-
		<u>234,966</u>	<u>239,303</u>
Fundraising Income			
Contributions		3,558	466
Gifts		3,383	4,906
		<u>6,941</u>	<u>5,372</u>
Operating Income			
Childcare		-	46,878
House hire		12,372	15,551
All other programs		43,996	38,173
		<u>56,368</u>	<u>100,602</u>
Other Income			
Interest		648	1,284
Paid parental leave		-	12,273
Sponsorships		6,294	3,780
Sundry income		1,993	533
		<u>8,935</u>	<u>17,870</u>
TOTAL INCOME		<u>307,210</u>	<u>363,147</u>

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
EXPENDITURE		
Accounting and bookkeeping	1,188	-
Advertising	1,772	470
Annual leave, sick leave, long service leave	16,668	18,495
Audit fees	2,450	2,150
Bank charges	110	119
Consultancy fees	38,214	32,609
Depreciation	2,571	3,491
Doubtful debt	557	-
Electricity, gas and water	4,402	4,539
Fundraising expenses	675	911
General expenses	1,163	1,884
Health and safety	33	44
Insurance	1,452	1,275
Office and computer expenses	9,619	7,457
Parking and travel	773	1,533
Postage	86	57
Printing and stationery	5,574	11,580
Professional development	325	1,286
Program costs	12,652	11,040
Rent	1,152	1,090
Repairs and maintenance	14,187	12,901
Subscriptions and publications	1,903	1,593
Superannuation	14,099	18,389
Telephone	3,454	4,213
Volunteer and other employee costs	1,358	451
Wages	169,077	234,586
WorkCover	783	2,567
TOTAL EXPENDITURE	<u>306,297</u>	<u>374,730</u>
NET SURPLUS/(DEFICIT) FOR THE PERIOD	<u>913</u>	<u>(11,583)</u>

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	2019 \$	2018 \$
CURRENT ASSETS		
Cash on hand	470	520
Cash at bank	100,925	99,415
Accounts receivable	6,150	3,314
Prepayments	3,589	-
TOTAL CURRENT ASSETS	111,134	103,249
NON-CURRENT ASSETS		
Furniture and fittings	82,966	82,966
Less accumulated depreciation	(55,203)	(52,632)
	<u>27,763</u>	<u>30,334</u>
TOTAL NON-CURRENT ASSETS	27,763	30,334
TOTAL ASSETS	138,897	133,583
CURRENT LIABILITIES		
Accounts payable and sundry accruals	340	13,048
GST payable	6,869	635
PAYG withholding tax payable	2,556	3,771
Other payables	3,806	1,925
Grants received in advance	35,344	30,684
Income received in advance	-	954
Provision for annual leave	19,447	17,932
Provision for time in lieu	2,825	2,034
Provision for long service leave	31,202	27,005
TOTAL CURRENT LIABILITIES	102,389	97,988
NON-CURRENT LIABILITIES		
Provision for long service leave	-	-
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	102,389	97,988
NET ASSETS	36,508	35,595
EQUITY		
Accumulated members funds	36,508	35,595
	<u>36,508</u>	<u>35,595</u>

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

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Members Funds \$	Total \$
Balance as at 1 July 2017	47,178	47,178
Surplus/ (Deficit) attributable to the Association	(11,583)	(11,583)
Balance as at 30 June 2018	<u>35,595</u>	<u>35,595</u>
Surplus/ (Deficit) attributable to the Association	913	913
Balance as at 30 June 2019	<u><u>36,508</u></u>	<u><u>36,508</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 ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government grant recurrent funding		239,626	231,483
Receipts from customers		67,806	124,690
Payments to suppliers and employees		(306,620)	(365,912)
Interest received		648	1,284
Net cash generated from/(used in) operating activities	(i)	<u>1,460</u>	<u>(8,455)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	-
Net cash (used in)/provided by investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		1,460	(8,455)
Cash and cash equivalents at beginning of financial year		99,935	108,390
Cash and cash equivalents at end of financial year	(ii)	<u>101,395</u>	<u>99,935</u>

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
NOTES TO THE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Note (i). Net cash generated from/(used in) operating activities		
Net surplus for the year	913	(11,583)
Non-cash flow item: depreciation	2,571	3,491
Non-cash flow item: provision for doubtful debt	-	-
(Increase)/decrease in trade and other receivables	(2,836)	3,371
(Increase)/decrease in prepayments	(3,589)	-
Increase/(decrease) in trade and other payables	(5,808)	5,944
Increase/(decrease) in grants received in advance	4,660	(7,820)
Increase/(decrease) in income received in advance	(954)	(1,241)
Increase/(decrease) in provisions	6,503	(617)
	<u>1,460</u>	<u>(8,455)</u>
Note (ii). Cash and cash equivalents at end of financial year		
Cash on hand	470	520
Cash at bank	100,925	99,415
	<u>101,395</u>	<u>99,935</u>

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

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 1. Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Holden St 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 company in the preparation of the general 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 company 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 to the Committee 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 ST NEIGHBOURHOOD HOUSE INC
 ABN 15 398 624 647
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

	2019	2018
	\$	\$
Note 2. Grant Funding Income		
State		
Operating		
Neighbourhood House Coordination Program	120,502	113,465
ACFE	30,265	49,069
	150,767	162,534

HOLDEN ST NEIGHBOURHOOD HOUSE INC
ABN 15 398 624 647
STATEMENT BY MEMBERS OF THE COMMITTEE

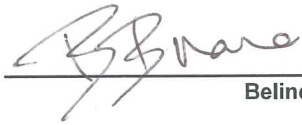
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 St Neighbourhood House Inc as at 30 June 2019 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 St 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

Treasurer



Richard Lasek

Dated:

31st July 2019

HOLDEN ST 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 St Neighbourhood House Inc (the Association), which comprises the statement of financial position as at 30 June 2019, 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 Board.

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 2019 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 St 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
127 Paisley Street
Footscray VIC 3011

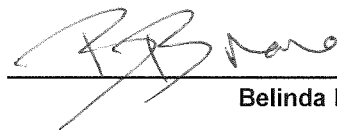
Date:

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

I, **Belinda Bravo** and I, **Richard Lasek** certify that:

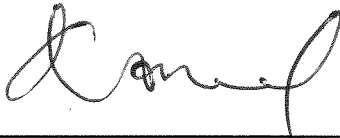
- (a) We are members of the committee of governance of Holden St Neighbourhood House Inc.
- (b) We attended the annual general meeting of the association held on 24 October 2019.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Chairperson



Belinda Bravo

Treasurer



Richard Lasek

Dated this

24th day of October 2019