

the centre

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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Prepared by Craig Barry - Rutherford Clare Business Services

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the centre

connecting
community in
north & west
melbourne inc.

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 47 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.

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 on 30 June 2023 were:

- Kay Oke - Chair
- Lorna Hannan - Vice Chair
- Gary Dowling - Treasurer
- Karl Hessian - Director
- Tom Seddon - Director
- Benjamin O'Connor - Director
- Trang Tran - Director
- Kate Ritchie - Director
- Kath McPherson - Secretary



During the year Bill Liddy retired from the Committee having served as a Director since October 2009. And the longstanding Chair of the Committee, Karl Hessian, handed over the role of Chair to Kay Oke.

The Committee has delegated responsibility for the day-to-day operation of The Centre to a Centre Director. The current Centre Director is Ariel Valent. Mr Valent was appointed to the role in December 2020.

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



ACKNOWLEDGEMENTS



The Centre is a founding member of the Inner North Cluster



The Centre is a member of the North Melbourne Agency Collective

Key Partners & Supporters



Major Donors & Sponsors



Collier Charitable Fund is a significant Homework Club supporter.



The Village Festival is a significant sponsor of Queensberry Cup.



Australian Communities Foundation is a significant Homework Club supporter.

The Centre wishes to thank the above partners, supporters, sponsors and donors for their generosity as well as all those individuals that made cash donations or volunteered their time, to support our Homework Club, Queensberry Cup, Spanish Language Fiesta, North & West Melbourne News, or other activities at The Centre or Docklands Neighbourhood House. Thank you all.

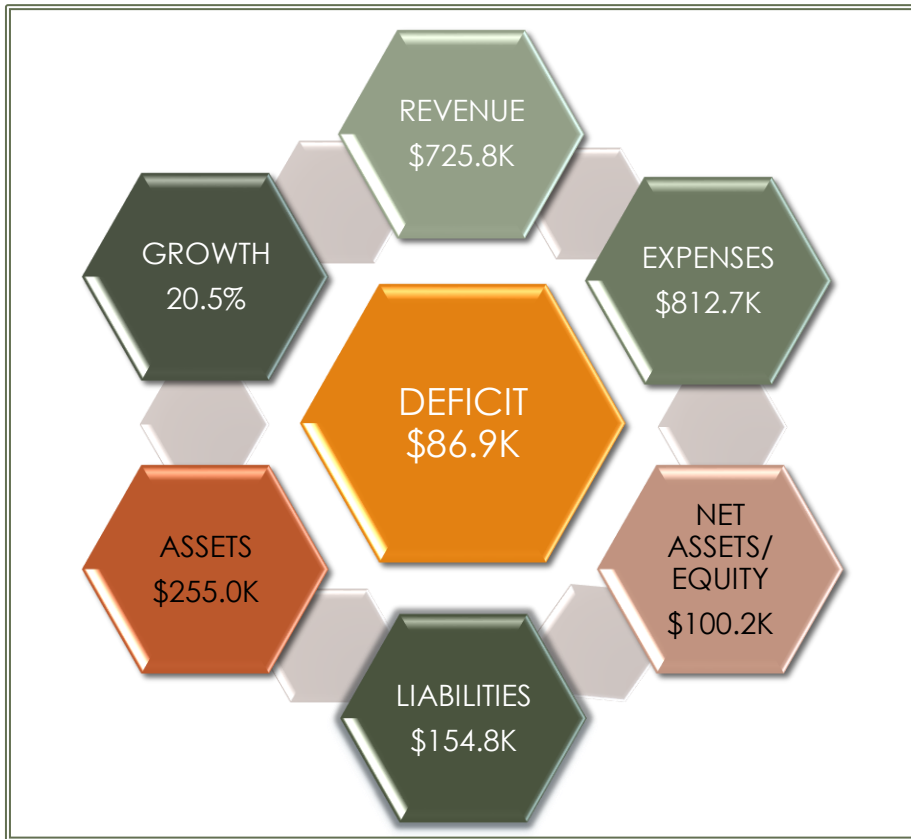
Auditors

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



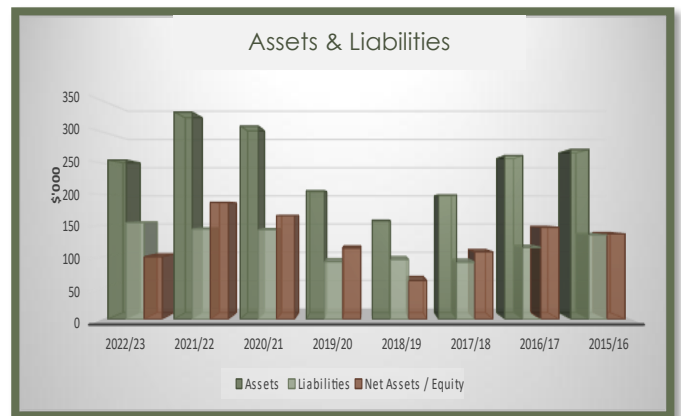
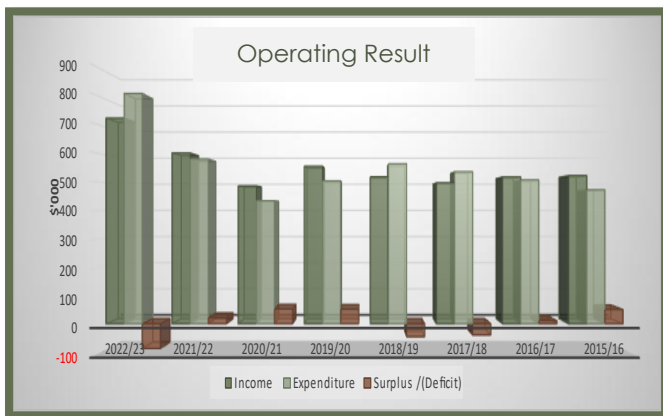
KEY INDICATORS



SUMMARY FINANCIAL DATA & KEY INDICATORS

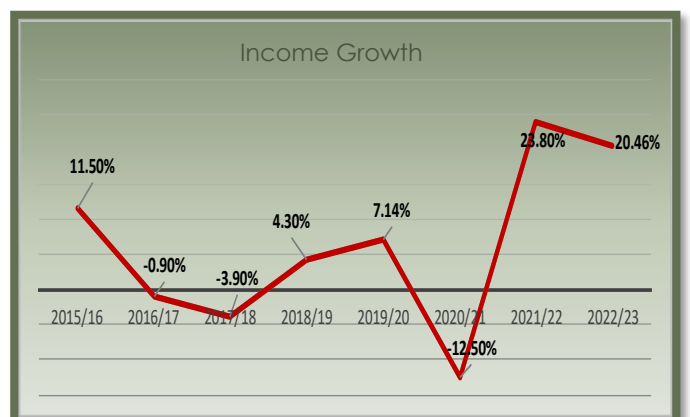
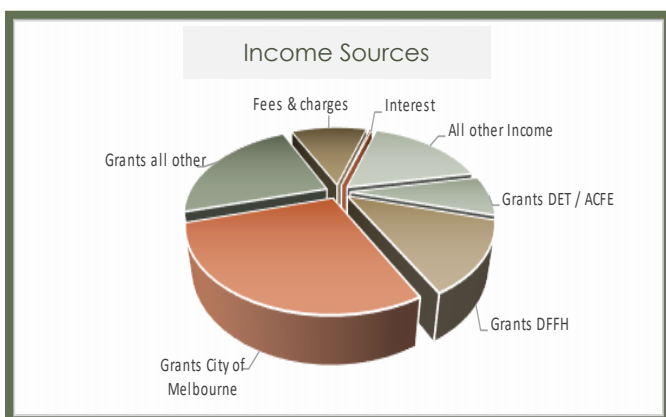
(a) Headline Data & Indicators - 7 Year Comparison

| | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--------------------------------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | 725,766 | 602,475 | 486,359 | 556,079 | 518,988 | 497,509 | 518,152 | 522,839 |
| Expenditure | 812,742 | 581,274 | 434,165 | 504,317 | 564,688 | 536,880 | 507,697 | 472,605 |
| Surplus /(Deficit) | (86,976) | 21,201 | 52,194 | 51,762 | (45,700) | (39,371) | 10,455 | 50,234 |
| Assets | 254,984 | 331,647 | 309,350 | 205,938 | 157,640 | 199,082 | 262,112 | 271,805 |
| Liabilities | 154,804 | 144,491 | 143,395 | 92,177 | 95,641 | 91,383 | 115,043 | 135,191 |
| Net Assets / Equity | 100,180 | 187,156 | 165,955 | 113,761 | 61,999 | 107,699 | 147,069 | 136,614 |
| Working capital ratio (target > 1.5) | 1.5 | 2.2 | 2.1 | 2.3 | 1.6 | 2.1 | 2.3 | 1.9 |
| Debt to equity ratio (target <1.0) | 1.5 | 0.8 | 0.9 | 0.8 | 1.5 | 0.8 | 0.8 | 0.9 |



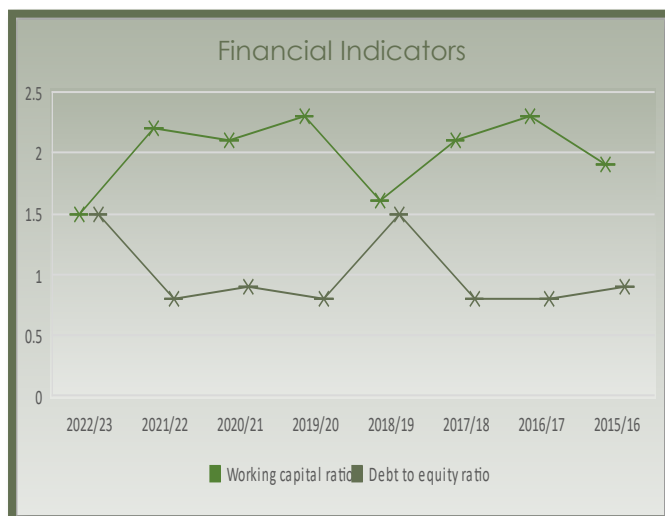
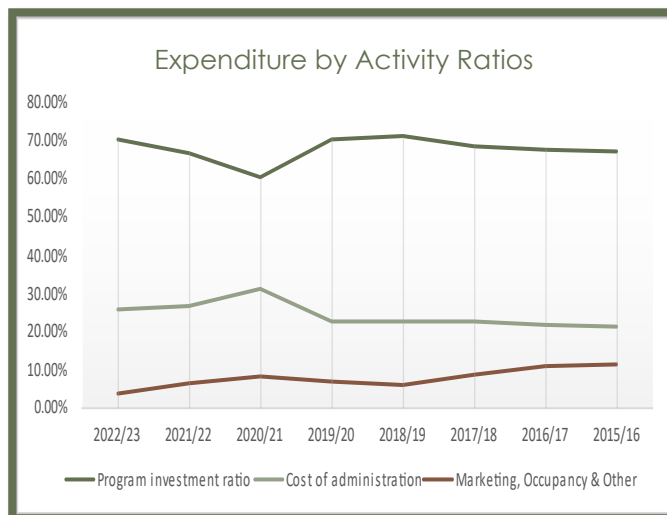
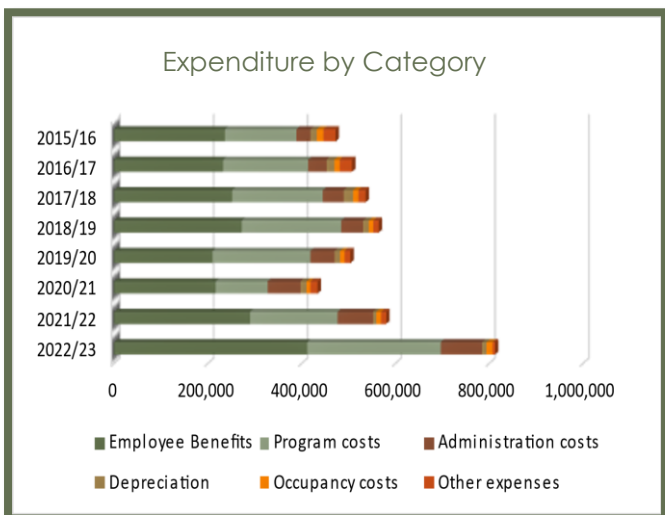
(b) Income - 7 Year Comparison

| | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Grant income – DET / ACFE | 54,220 | 40,656 | 26,897 | 46,220 | 60,624 | 76,653 | 60,504 | 141,510 |
| Grant Income - DFFH | 93,718 | 89,596 | 86,909 | 83,033 | 79,277 | 60,007 | 57,206 | 54,421 |
| Grant Income – City of Melbourne | 204,824 | 136,350 | 162,247 | 175,256 | 129,364 | 127,684 | 140,872 | 136,411 |
| Grant income - all other | 162,703 | 146,063 | 98,207 | 49,074 | 25,048 | 28,959 | 66,679 | 63,115 |
| Fees & charges | 83,496 | 89,600 | 62,752 | 98,941 | 130,288 | 119,953 | 113,601 | 91,214 |
| Interest | 2,366 | 251 | 385 | 698 | 1,921 | 1,947 | 1,857 | 562 |
| All other Income | 124,439 | 99,959 | 48,962 | 102,857 | 92,466 | 82,306 | 77,433 | 35,606 |
| Total Income | 725,766 | 602,475 | 486,359 | 556,079 | 518,988 | 497,509 | 518,152 | 522,839 |
| Income growth on previous year | 20.5% | 23.8% | (12.5%) | 7.1% | 4.3% | (3.9%) | (0.9%) | 11.5% |
| ACFE grants as % total income. (target < 50%) | 7.5% | 6.7% | 5.5% | 8.3% | 11.6% | 15.4% | 11.7% | 27.1% |
| All grants as % total income (target < 75%) | 71.0% | 68.5% | 77.0% | 63.6% | 56.7% | 58.9% | 62.8% | 75.6% |



(c) Expenditure - 7 Year Comparison

| | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Employee Benefits ¹ | 412,162 | 290,263 | 216,892 | 209,497 | 272,432 | 252,145 | 232,643 | 236,614 |
| Program costs | 284,756 | 186,518 | 110,835 | 207,384 | 212,026 | 193,103 | 181,549 | 152,195 |
| Administration costs | 88,218 | 68,774 | 70,185 | 53,802 | 47,043 | 44,793 | 39,293 | 30,399 |
| Depreciation | 9,085 | 6,929 | 12,757 | 11,488 | 11,724 | 19,904 | 16,630 | 13,604 |
| Occupancy costs | 13,128 | 10,107 | 8,239 | 9,690 | 9,790 | 11,123 | 11,115 | 13,867 |
| Other expenses ² | 5,393 | 18,683 | 15,257 | 12,458 | 11,529 | 15,812 | 26,467 | 25,926 |
| Total Expenses | 812,742 | 581,274 | 434,165 | 504,317 | 564,688 | 536,880 | 507,697 | 472,605 |
| Program cost ratio ³ | 35.0% | 32.1% | 25.5% | 41.1% | 37.5% | 35.9% | 35.8% | 32.2% |
| Program investment ratio ⁴ | 70.5% | 67.0% | 60.5% | 70.5% | 71.3% | 68.8% | 67.8% | 67.2% |
| Program investment split (Direct program: program support) | 64:36 | 66:34 | 70:30 | 85:15 | 85:15 | 84:16 | 87:13 | 85:15 |
| Total staffing (average FTE) | 4.8 | 4.3 | 3.3 | 3.4 | 3.4 | 3.4 | 4.2 | 3.2 |
| Staff cost ratio ¹ | 50.7% | 49.9% | 49.9% | 41.5% | 48.2% | 46.9% | 45.8% | 50.1% |
| Cost of administration ⁴ | 26.0% | 26.8% | 31.2% | 22.8% | 22.8% | 22.4% | 21.5% | 21.4% |



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 has been the post lockdown year with the challenge to agencies to re-evaluate community needs. We are impressed with how well The Centre has been able to adapt and create a series of programs suitable for this time and also establish connections with a wide range of services in North and West Melbourne.

Funding for the neighbourhood house in Docklands was discontinued by the City of Melbourne. It was disappointing to have to finish the innovative programs The Centre managed in Docklands. However, it means that The Centre will now be focusing entirely on North and West Melbourne.



The inaugural Queensberry Cup was an important event. It marked the coming out of the lockdown era and provided a community celebration. The 2023 Queensberry Cup should be even bigger.

The North & West Melbourne News has been very successful and won the award for best community newspaper in Victoria. Congratulations to the amazing team of Maurice, Anne and Janet for continuing to produce such a high-class paper – now 200 issues strong in its 44th year.

We would like to thank the management team, staff and volunteers who have contributed to making The Centre work. Special thanks to Ariel for keeping it all together and continuing to focus on current as well as future possibilities.

There will be a turnover of Board members at the 2023 Annual General Meeting. Thanks to Bill Liddy who left earlier in the year after 15 years as a Board member and to Trang Tran who joined us.

Karl Hessian stepped down as Chair in June and long-time board member Kay Oke took over the position then. We thank all the departing Board members and look forward to welcoming a new energy to the Board for 2023-24.

Volunteers for Board positions or for helping deliver our wide range of programs are always warmly welcomed. The Centre relies on its volunteers and we thank everyone who has contributed over the last 12 months.

We look forward to an exciting year ahead.

Karl Hessian
Past Chair

Kay Oke
Chair

September 2023

DIRECTOR'S REPORT



The past 12 months have been both dynamic and successful for The Centre. We finally had a clear year, free from COVID interruptions. The biggest program for the year was Queensberry Cup, held on Queensberry and Errol streets in October 2022. Taking the place of the retired Spring Fling, Queensberry Cup was a billycart race and street festival that captured the imagination of both locals and visitors.

With 30 billycart entrants, 50 volunteers and an audience of 5 000, Queensberry Cup was a gift from the North & West Melbourne communities to itself. It was a post-COVID party that everyone from the Deputy Lord Mayor to Peter Mac Men's Shed got involved with. Our other events in Spanish Language Fiesta, Vasant, Diwali, ANZAC Day and others all provided opportunities for the community to connect and mark important occasions, either in celebration or commemoration.

This year also marked the last year of our Docklands Neighbourhood House program. Through weekly programs like play sessions or social fishing, through special events like the Sports Day and Cirque Culinaire and through hundreds of personal interactions, support and referrals at the Neighbourhood House, Jason Butcher, Dhanya Nair and volunteers provided the Docklands community with a place for community connection and empowerment. Despite a strong community-driven campaign and support from all quarters of Docklands organisations, City of Melbourne chose not to fund Docklands Neighbourhood House beyond June, effectively shutting it down in its previous form. The Centre remains supportive of the Docklands community in its ambitions for increased social connection and neighbourhood development.

Long-standing program Home Away from Homework Club saw rapid expansion through our partnership with North Melbourne Language and Learning. A new partnership with Ozanam House saw The Centre deliver digital literacy training to more than 30 people experiencing homelessness. Other new programs include courses in Spanish and Event Management.

Our groundbreaking WorkOut program with returning prisoners came to an end after 12 impressive years. Community Development in North Melbourne in the last year focused on addressing the needs of key cohorts identified in the recent Community Needs Analysis, including economically disadvantaged people and culturally and linguistically diverse people. Unfortunately, we noticed more and more people struggling to make ends meet and we tried to ease the burden by helping with programs such as the Power Saving Bonus. North & West Melbourne News has had a stellar year with four superb issues and taking out the Best Victorian Newspaper Award, Sing NoW! Community Choir finally got some performance opportunities, and the Viva La Seniors program went from strength to strength.

The year saw a number of staffing developments. The Centre bade farewell to Jorge Jorquera and welcomed Khalid Farah to the Community Development Co-ordinator role. We were sorry to see Furdus Suliman go at the end of her contract but were delighted to welcome Kashifa Aslam to the Community Outreach Co-ordinator role. The Centre is powered by its volunteers, and I would like to thank every volunteer journalist, tutor, newspaper deliverer, event assistant, program helper, Board member and front desk volunteer. The Centre remains committed to working with our local community to provide the support and opportunities needed for community enrichment and to address disadvantage. We look forward to making this journey with you.

Ariel Valent
Director

September 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|------------------|
| INCOME | | | |
| Government and other grants | | | |
| - City of Melbourne | 2 | 204,824 | 136,350 |
| - Department of Education and Training (DET) | 2 | 54,220 | 41,656 |
| - Department of Families, Fairness & Housing (DFFH) | 2 | 93,718 | 89,596 |
| - Other | 2 | 165,868 | 146,063 |
| Course and activity fees | 2 | 83,496 | 89,600 |
| Other income | 2 | 123,639 | 100,210 |
| TOTAL INCOME | | 725,765 | 602,475 |
| EXPENDITURE | | | |
| Employee benefits | 3 | (412,062) | (290,263) |
| Advertising and promotion | | (5,356) | (11,263) |
| Depreciation | 8 | (9,085) | (6,929) |
| Occupancy costs | | (13,128) | (10,107) |
| Program costs - contractors | 4 | (90,665) | (66,988) |
| Program costs - other | 4 | (194,191) | (119,530) |
| Other expenses | 5 | (88,255) | (76,194) |
| TOTAL EXPENDITURE | | (812,742) | (581,274) |
| NET RESULT FOR THE PERIOD | 15 | (86,977) | 21,201 |
| TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD | | (86,977) | 21,201 |

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 170,023 | 252,590 |
| Receivables | 7 | 62,085 | 60,039 |
| Prepayments & other current assets | | 5,895 | 2,589 |
| Total current assets | | 238,003 | 315,218 |
| Non-current assets | | | |
| Property, plant, and equipment | 8 | 16,980 | 16,429 |
| Total non-current assets | | 16,980 | 16,429 |
| TOTAL ASSETS | | 254,983 | 331,647 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 9 | 32,979 | 27,817 |
| Provisions | 11 | 15,839 | 13,044 |
| Income received in advance | 10 | 105,986 | 103,630 |
| Total current liabilities | | 154,804 | 144,491 |
| Non-current liabilities | | | |
| Provisions | 11 | - | - |
| Total non-current liabilities | | - | - |
| TOTAL LIABILITIES | | 154,804 | 144,491 |
| NET ASSETS | | 100,179 | 187,156 |
| EQUITY | | | |
| Reserves | | 18,592 | 18,592 |
| Retained earnings | | 81,587 | 168,564 |
| TOTAL EQUITY | 12 | 100,179 | 187,156 |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2023

| | Note | Retained Earnings \$ | Reserves \$ | TOTAL \$ |
|---|------|----------------------------|----------------|----------------|
| BALANCE AT 30 JUNE 2021 | | 147,363 | 18,592 | 165,955 |
| Comprehensive income (expense) for the year | | 21,201 | - | 21,201 |
| Amount transferred (to) from reserves | | - | - | - |
| BALANCE AT 30 JUNE 2022 | | 168,564 | 18,592 | 187,156 |
| Comprehensive income (expense) for the year | | (86,977) | - | (86,977) |
| Amount transferred (to) from reserves | | - | - | - |
| BALANCE AT 30 JUNE 2023 | 12 | 81,587 | 18,592 | 100,179 |

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 | 2022 |
|--|------|-----------------|-----------------|
| | | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Government and other grants | | 541,521 | 427,566 |
| Other receipts | | 141,441 | 125,395 |
| Employee benefits paid | | (298,543) | (223,940) |
| Payments to suppliers | | (457,349) | (343,568) |
| NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES | 13 | (72,930) | (14,547) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (9,637) | (8,797) |
| Proceeds from sale of property, plant and equipment | | - | - |
| NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES | | (9,637) | (8,797) |
| 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 | | (82,567) | (23,344) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | 252,590 | 275,934 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 6 | 170,023 | 252,590 |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and the comparative information for the year ended 30 June 2022

(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 more than 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:

| <u>Class of fixed asset</u> | <u>Depreciation rate</u> |
|------------------------------------|--------------------------|
| 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

General 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.

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.

(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) 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 theories 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.



Queensberry Cup 2022



Queensberry Cup 2022



Centre Adventure -Ballarat Begonia Festival



Spanish Language Fiesta 2023

NOTE 2. GRANTS & OTHER INCOME

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ | \$ |
| Grants | | |
| City of Melbourne | 204,824 | 136,350 |
| Department of Education and Training (DET) | 54,220 | 41,656 |
| Department of Families, Fairness & Housing (DFFH) | 93,718 | 89,596 |
| Other Grants | 165,868 | 146,063 |
| Total grants | 518,630 | 413,665 |
| Trading & Other Income | | |
| North & West Melbourne News advertising and subscription revenue | 13,057 | 22,164 |
| Queensberry Cup & Spanish Language Fiesta sponsorship and stall hire revenue | 14,583 | 17,240 |
| Community choir membership fees | 6,620 | 5,398 |
| Course Fees | 57,073 | 51,038 |
| Interest | 2,366 | 251 |
| All other | 113,436 | 92,719 |
| Total Trading & other income | 207,135 | 188,810 |
| Total income | 725,765 | 602,475 |

NOTE 3. EMPLOYEE BENEFITS

| | 2023 | 2022 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Salaries and wages | 362,094 | 273,120 |
| Wage Subsidies (Job Keeper) | - | (2,772) |
| Leave provisions | 7,987 | (9,633) |
| Superannuation | 37,178 | 24,759 |
| Workcover | 4,301 | 3,961 |
| Other benefits | 502 | 828 |
| Total employee benefits | 412,062 | 290,263 |

NOTE 4. PROGRAM COSTS

Program costs include costs directly attributable to supporting and delivering program activities. They include expenditure related to Events like Queensberry Cup and the Spanish Language Fiesta.

The current period includes project expenses relating to the delivery of Queensberry Cup in October 2022 and the Spanish Language Fiesta held in March 2023.

NOTE 5. OTHER EXPENSES

| | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Audit fees | 2,200 | 1,900 |
| Bank charges | 1,280 | 1,048 |
| Communications | 3,614 | 3,575 |
| Computer and IT costs | 4,416 | 3,750 |
| Other staffing & volunteer costs | 148 | 447 |
| Meeting and governance expenses | 2,092 | 629 |
| Printing and stationery | 17,566 | 16,787 |
| All other expenses | 56,939 | 48,058 |
| Total other expenses | 88,255 | 76,194 |

NOTE 6. CASH AND CASH EQUIVALENTS

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| Cash in bank accounts | 66,872 | 151,473 |
| Cash in term deposits | 102,488 | 100,717 |
| Cash on hand | 663 | 400 |
| Total cash and cash equivalents | 170,023 | 252,590 |

NOTE 7. RECEIVABLES

| | 2023 \$ | 2022 \$ |
|------------------------------|---------------|---------------|
| Trade and sundry debtors | 62,085 | 60,039 |
| Provision for doubtful debts | - | - |
| Total receivables | 62,085 | 60,039 |

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

| | 2023 \$ | 2022 \$ |
|---|---------------|---------------|
| Office furniture and equipment: | | |
| At cost | 35,152 | 25,978 |
| Accumulated depreciation | (27,139) | (21,933) |
| At Fair Value | 13,521 | 13,521 |
| Accumulated depreciation | (13,521) | (13,521) |
| Total office furniture & equipment | 8,013 | 4,045 |
| Program Equipment: | | |
| At cost | 52,165 | 51,703 |
| Accumulated depreciation | (43,198) | (39,319) |
| At Fair Value | 3,452 | 3,452 |
| Accumulated depreciation | (3,452) | (3,452) |
| Total program equipment | 8,967 | 12,384 |
| Total property, plant, and equipment | 16,980 | 16,429 |

(a) Movements in carrying amounts

| | PROGRAM EQUIPMENT \$ | OFFICE FURNITURE & EQUIPMENT \$ | TOTAL \$ |
|--|----------------------------|--|---------------|
| Carrying amount at 30 June 2021 | 7,837 | 6,724 | 14,561 |
| Additions | 8,307 | 490 | 8,797 |
| Disposals | - | - | - |
| Depreciation expense | (3,760) | (3,169) | (6,929) |
| Carrying amount at 30 June 2022 | 12,384 | 4,045 | 16,429 |
| Additions | 463 | 9,174 | 9,637 |
| Disposals | - | - | - |
| Depreciation expense | (3,880) | (5,206) | (9,086) |
| Carrying amount at 30 June 2023 | 8,967 | 8,013 | 16,980 |

NOTE 9. PAYABLES

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| | \$ | \$ |
| Trade and sundry creditors | 18,019 | 13,343 |
| Goods and services tax payable | 7,362 | 10,702 |
| Pay-as-you-go withholding tax payable | 7,338 | 3,462 |
| Superannuation payable | - | - |
| Bonds Held | 260 | 310 |
| Total payables | 32,979 | 27,817 |

NOTE 10. INCOME RECEIVED IN ADVANCE

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Grants in advance | 98,010 | 96,943 |
| Fees in advance | 7,976 | 6,687 |
| Total income received in advance | 105,986 | 103,630 |

NOTE 11. PROVISIONS

| | 2023 | 2022 |
|--------------------------|---------------|---------------|
| | \$ | \$ |
| Current | | |
| Employee benefits | | |
| Annual leave | 14,053 | 12,000 |
| Long-service leave | 1,786 | 1,044 |
| Total current | 15,839 | 13,044 |
| Non-current | | |
| Employee benefits | | |
| Long-service leave | - | - |
| Total non-current | - | - |
| Total provisions | 15,839 | 13,044 |

(a) Movements in carrying amounts

| | ANNUAL LEAVE \$ | LONG SERVICE LEAVE \$ | TOTAL \$ |
|--|-----------------------|-----------------------------|---------------|
| Carrying amount at 30 June 2021 | 22,194 | 4,668 | 26,862 |
| Net provisions made during year | (10,194) | (3,624) | (13,818) |
| Carrying amount at 30 June 2022 | 12,000 | 1,044 | 13,044 |
| Net provisions made during year | 2,053 | 742 | (13,818) |
| Carrying amount at 30 June 2023 | 14,053 | 1,786 | 15,839 |

NOTE 12. EQUITY AND RESERVES

(a) Movements in carrying amounts

| | ASSET REVALUATION RESERVE \$ | RETAINED EARNINGS \$ | TOTAL EQUITY \$ |
|--------------------------------|---------------------------------------|----------------------------|-----------------------|
| Balance at 30 June 2021 | 18,592 | 147,363 | 165,955 |
| Increase (decrease) for year | - | 21,201 | 21,201 |
| Balance at 30 June 2022 | 18,592 | 168,564 | 187,156 |
| Increase (decrease) for year | - | (86,977) | (86,977) |
| Balance at 30 June 2023 | 18,592 | 81,587 | 100,179 |

(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 13. CASH FLOW INFORMATION

| | 2023 \$ | 2022 \$ |
|---|-----------------|-----------------|
| Reconciliation of net result from statement of comprehensive income with cash flow from operating activities | | |
| Net result for the period | (86,977) | 21,201 |
| 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 | 9,086 | 6,929 |
| Net (gain) loss on disposal of non-current assets | - | - |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in receivables | (3,530) | (45,525) |
| (Increase) decrease in prepayments & other current assets | (1,823) | 1,752 |
| Increase (decrease) in payables | 5,376 | (12,083) |
| Increase (decrease) in provisions | 2,795 | (13,817) |
| Increase (decrease) in income received in advance & other current liabilities | 2,141 | 26,996 |
| Net cash inflow (outflow) from operating activities | (72,930) | (14,547) |

NOTE 14. 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 \$326 (2022: \$2,282)

The Centre also has two peppercorn lease arrangement on property. The applicable lease commitment at balance date was \$104 (2022: \$106).

NOTE 15. AUDITORS' REMUNERATION

| | 2023 \$ | 2022 \$ |
|---|--------------|--------------|
| Remuneration of the auditors of the association | | |
| Audit of the annual financial report | 2,200 | 1,900 |
| Total auditors' remuneration | 2,200 | 1,900 |

NOTE 16. 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* |
|--------------------------------|-------------------|-----------------|-------------------|----------------|
| Kay Oke - Chair | 7 October 2019 | - | 11 | 14 |
| Lorna Hannah - Vice Chair | 7 October 2019 | - | 11 | 14 |
| Kathleen McPherson - Secretary | 30 September 2013 | - | 14 | 14 |
| Gary Dowling - Treasurer | 21 September 2020 | - | 11 | 14 |
| Karl Hessian - Director | 1 February 2010 | - | 12 | 14 |
| Tom Seddon - Director | 30 November 2020 | - | 9 | 14 |
| Bill Liddy - Director | 26 October 2009 | 30 January 2023 | 4 | 8 |
| Benjamin O'Connor - Director | 22 June 2015 | - | 6 | 14 |
| Trang Tran - Director | 27 March 2023 | - | 3 | 5 |
| Kate Ritchie - Director | 24 February 2020 | - | 12 | 14 |

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

NOTE 17. 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 2023 that will have a material impact on the figures or other disclosures in this report.

NOTE 18. ASSOCIATION DETAILS

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

58 Errol Street
North Melbourne VIC 3051



Year End Celebration – Games with the Kids



Centre Adventure to Puffing Billy

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

DECLARATION

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

We, Kay Oke and Gary Dowling, 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 2023.

Signed: Kay Oke
Kay Oke - Chairperson

Signed: Gary Dowling
Gary Dowling - Treasurer

Dated this 25th day of September 2023

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 2023. 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 2023 and of the results of its operations for the year then ended.

DATED this 22nd day of September 2023.



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

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

SOLVENCY STATEMENT

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

We, Kay Oke and Gary Dowling, being members of The Centre: Connecting Community in North and West Melbourne Incorporated, certify that -

At the meeting of the Board on the 25th day of September 2023 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: Kay Oke .
Kay Oke - Chairperson

Signed: Gary Dowling
Gary Dowling - Treasurer

Dated this 25th day of September 2023.

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

RISK ATTESTATION

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

We, Kay Oke and Gary Dowling, 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: 
Kay Oke - Chairperson

Signed: 
Gary Dowling- Treasurer

Dated this 25th day of September 2023.

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

CERTIFICATION

Certification by member of the Board

I, **Kay Oke**, certify that –

- i. I attended the annual general meeting of The Centre: Connecting Community in North & West Melbourne Inc. held on the 25th day of September 2023; and
- ii. That the annual financial statements for the year ended 30 June 2023 were submitted to the members of the association at its annual general meeting.

Signed: _____


Kay Oke - Chairperson

Dated this 25th day of September 2023.

