



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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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The Centre: Connecting Community in North & West Melbourne Inc.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
REVENUE			
Government and other grants	2	354,332	468,449
Other revenue	3	49,451	63,708
TOTAL REVENUE		403,783	532,157
EXPENDITURE			
Employee benefits	4	(228,005)	(259,191)
Contractors		(53,163)	(62,760)
Advertising and promotion		(19,319)	(25,988)
Depreciation		(10,836)	(8,442)
Finance costs		(1,153)	-
Office costs		(12,460)	(12,461)
Printing and stationery		(11,848)	(14,067)
Programming costs		(18,954)	(9,111)
Project expenses	5	(10,000)	(74,321)
Rent	6	(523)	(22,268)
Other expenses	7	(27,379)	(41,701)
TOTAL EXPENDITURE		(393,640)	(530,310)
SURPLUS (DEFICIT) FOR THE PERIOD		10,143	1,847
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)		-	-
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		10,143	1,847

This statement should be read in conjunction with the accompanying notes.

The Centre: Connecting Community in North & West Melbourne Inc.
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	212,109	166,659
Receivables	9	13,766	5,376
Inventories		-	1,239
Prepayments		4,238	3,103
Total current assets		230,113	176,377
Non-current assets			
Property, plant and equipment	10	42,436	48,191
Total non-current assets		42,436	48,191
TOTAL ASSETS		272,549	224,568
LIABILITIES			
Current liabilities			
Payables	11	52,135	46,209
Loans and borrowings	12	6,408	5,647
Provisions	13	27,184	21,001
Income received in advance	14	91,813	53,227
Total current liabilities		177,540	126,084
Non-current liabilities			
Loans and borrowings	12	-	6,357
Provisions	13	1,645	8,906
Total non-current liabilities		1,645	15,263
TOTAL LIABILITIES		179,185	141,347
NET ASSETS		93,364	83,221
EQUITY			
Reserves		50,928	52,326
Retained earnings		42,436	30,895
TOTAL EQUITY	15	93,364	83,221

This statement should be read in conjunction with the accompanying notes.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Retained earnings \$	Reserves \$	TOTAL \$
BALANCE AT 1 JULY 2008		34,887	46,487	81,374
Net surplus / (deficit) for the year		1,847		1,847
Amount transferred (to) from reserves		(5,839)	5,839	-
BALANCE AT 30 JUNE 2009		30,895	52,326	83,221
Net surplus / (deficit) for the year		10,143		10,143
Amount transferred (to) from reserves		1,398	(1,398)	-
BALANCE AT 30 JUNE 2010	15	42,436	50,928	93,364

This statement should be read in conjunction with the accompanying notes.

The Centre: Connecting Community in North & West Melbourne Inc.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government and other grants		382,589	429,257
Other receipts		44,124	50,517
Employee benefits paid		(236,268)	(254,884)
Payments to suppliers		(151,009)	(270,300)
Interest received		4,412	9,084
Net GST received (paid)		9,779	(1,975)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	17	53,627	(38,301)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital grants		2,500	10,784
Purchase of property, plant and equipment		(5,081)	(32,046)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(2,581)	(21,262)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(5,596)	-
Proceeds from borrowings		-	12,004
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		(5,596)	12,004
NET INCREASE (DECREASE) IN CASH HELD		45,450	(47,559)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		166,659	214,218
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	212,109	166,659

This statement should be read in conjunction with the accompanying notes.

The Centre: Connecting Community in North & West Melbourne Inc.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1. Statement of significant accounting policies

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (Victoria) 1981*.

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 under the *Associations Incorporation Act 1981*. 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 and interpretations issued by the Australian Accounting Standards Board as required for Victorian 'Prescribed Associations' under the *Associations Incorporation Regulations 2009*.

The financial statements have been prepared on an accruals basis (apart from cash flow information) in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments where stated. Cost is based on the fair values of the consideration given in exchange for assets.

The following material accounting policies have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information for the year ended 30 June 2009.

(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

Grants are recognised as revenue when control of the underlying assets received or receivable has been obtained. Where there are conditions attached to grants relating to the specific use and timing of funds and which 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. The Centre receives grants for operating and project purposes.

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.

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) Inventories

Inventories include goods held for sale or distribution in the ordinary course of operations. Inventories are valued at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The amount of any write-down or loss of inventory is recognised as an expense in the period it is incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(c) Property, plant and equipment

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

Depreciation

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

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Office furniture and equipment:	
-- Furniture	5-10%
-- Office equipment excl. computers	10-25%
-- Computer equipment	25-40%
Motor Vehicles	13%

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

(d) 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.

(e) Financial instruments

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

Cash and cash equivalents comprise at-call 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.

Loans and borrowings represent commercial bank loans.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

(f) 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.

(g) 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.

(h) 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*.

(i) Employee benefits

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

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

Employee benefits expense comprises salaries and wages, non-cash benefits, changes to leave provisions, superannuation and workcover insurance. Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses when incurred.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

(j) 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.

(k) 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.

(l) Comparative figures

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

(m) Rounding

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

(n) Accounting judgments and estimates

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

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

(o) Adoption of new and revised accounting standards

This is The Centre's first applicable reporting period for mandatory adoption of revised AASB 101: Presentation of Financial Statements (reissued September 2007). Its application has resulted in changes to the presentation and disclosure of comprehensive income and changes in equity, and amendment of the names of the primary financial statements.

All new and revised accounting standards and interpretations applicable to The Centre's operations which are not mandatory for the financial year ending 30 June 2010 have not been applied. The association anticipates that these standards will have little or no material effect on the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 2. Government and other grants

	2010	2009
	\$	\$
City of Melbourne		
-- Community services funding	84,465	289,317
-- Transition funding ^a	150,000	-
-- Project grants ^b	33,954	72,282
Department for Planning and Community Development (DPCD) ^c	69,804	84,112
Other grants	16,109	22,738
Total government and other grants	354,332	468,449

a. One-off grant to facilitate transition to new funding agreement.

b. Includes funding for Spring Fling street festival (refer also *Note 5: Project expenses* below).

c. Includes Adult, Community and Further Education (ACFE) funding.

Note 3. Other revenue

	Note	2010	2009
		\$	\$
Fees from courses and activities		27,869	24,148
Interest		4,412	9,084
North & West Melbourne News advertising and subscription revenue		7,837	4,200
Spring Fling Festival sponsorship and other revenue ^a		-	16,488
Reimbursements		-	4,000
Fundraising and other revenue		9,333	5,788
Total other revenue		49,451	63,708

a. Refer *Note 5: Project expenses* below.

Note 4. Employee benefits

	2010	2009
	\$	\$
Salaries and wages	188,029	228,370
Leave provisions	(1,078)	(3,449)
Superannuation ^a	38,387	31,437
Workcover	2,667	2,833
Total employee benefits	228,005	259,191

a. Includes superannuation guarantee charge (SGC) and salary sacrificed amounts.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 5. Project expenses

Project expenses relate mainly to expenditure for the Spring Fling street festival.

Activity in relation to the biennial Spring Fling street festival was significantly reduced for the year ended 30 June 2010 versus the comparative year. The previous festival was delivered in the 2009 reporting period and expenditure in the comparative year therefore reflects that delivery. Expenditure in this reporting period reflects only the initial expenditure in relation to the development of the next festival scheduled for October 2010.

The majority of festival expenditure is classified as project expenses, with the balance included under advertising and promotion and other categories. Revenue is matched to expenditure in accordance with *Note 1 (a) Revenue*.

Note 6. Rent

The Centre's rental agreement was changed to a peppercorn arrangement from 1 July 2009. Refer also *Note 16: Loan and leasing commitments*.

Note 7. Other expenses

	2010	2009
	\$	\$
Audit fees	1,600	1,200
Communications	4,384	7,228
Computer and IT costs	5,497	4,981
Cost of goods sold	1,239	1,676
Other staffing costs	4,626	3,188
Planning and policy development	1,304	7,000
Project support costs	-	4,000
Subscriptions and memberships	1,591	1,056
Volunteer expenses	2,486	4,472
All other	4,652	6,900
Total other expenses	27,379	41,701

Note 8. Cash and cash equivalents

	2010	2009
	\$	\$
Cash at bank	210,932	165,850
Cash on hand	1,177	809
Total cash and cash equivalents	212,109	166,659

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 9. Receivables

	2010	2009
	\$	\$
Trade and sundry debtors	13,766	4,123
Goods and Services Tax (GST) recoverable	-	1,253
Total receivables	13,766	5,376

Note 10. Property, plant and equipment

	2010	2009
	\$	\$
Office furniture and equipment:		
At cost	81,685	83,794
Accumulated depreciation	(51,396)	(49,626)
Total office furniture and equipment	30,289	34,168
Motor vehicles:		
At cost	15,007	15,007
Accumulated depreciation	(2,860)	(984)
Total motor vehicles	12,147	14,023
Total property, plant and equipment	42,436	48,191

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2008	24,587	-	24,587
Additions	17,039	15,007	32,046
Disposals (at written down value)	-	-	-
Depreciation expense	(7,458)	(984)	(8,442)
Balance at 30 June 2009	34,168	14,023	48,191
Additions	5,081	-	5,081
Disposals (at written down value)	-	-	-
Depreciation expense	(8,960)	(1,876)	(10,836)
Carrying amount at 30 June 2010	30,289	12,147	42,436

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 11. Payables

	2010	2009
	\$	\$
Trade and sundry creditors	39,480	44,362
Goods and services tax payable	10,555	-
Pay-as-you-go withholding tax payable	2,100	1,847
Total payables	52,135	46,209

Note 12. Loans and borrowings

	Note	2010	2009
		\$	\$
Current			
Commercial loan	16	6,408	5,647
Total current		6,408	5,647
Non-current			
Commercial loan	16	-	6,357
Total non-current		-	6,357
Total borrowings		6,408	12,004

Note 13. Provisions

	2010	2009
	\$	\$
Current		
Employee benefits		
-- Annual leave	27,184	21,001
-- Long-service leave	-	-
Total current	27,184	21,001
Non-current		
Employee benefits		
-- Long-service leave	1,645	8,906
Total non-current	1,645	8,906
Total provisions	28,829	29,907
Movements in long service leave:		
Balance at beginning of year	8,906	16,806
Net provisions made during year	(7,261)	(7,900)
Balance at end of year	1,645	8,906

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 14. Income received in advance

	2010	2009
	\$	\$
Grants in advance	90,757	50,000
Fees in advance	1,056	3,227
Total income received in advance	91,813	53,227

Note 15. Equity and reserves

Movements in equity

Movement in balances for reserves and retained earnings:

	Fixed & other asset reserve	Community development reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at 1 July 2008	24,587	21,900	34,887	81,374
Increase / (decrease) for year	12,839	(7,000)	(3,992)	1,847
Balance at 30 June 2009	37,426	14,900	30,895	83,221
Increase / (decrease) for year	(1,398)	-	11,541	10,143
Balance at 30 June 2010	36,028	14,900	42,436	93,364

Nature and purpose of reserves

Fixed and other asset reserve

This reserve represents the portion of equity that is invested in fixed assets and inventories and therefore not available for other purposes. The level of the reserve equates to the net carrying amount of fixed assets and inventories held net of any borrowings applicable to them; movements in the reserve represent changes in the carrying amount of those fixed assets.

Community development reserve

This reserve consists of the balance of net insurance proceeds on disposal of The Centre's former bus in 2007, which the committee of management determined be held aside for the specific purpose of supporting future community development programs.

Retained earnings

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 16. Loan and leasing commitments

	2010	2009
	\$	\$
Loan commitments^a		
Payable		
-- Not later than 12 months	6,988	6,750
-- Later than 12 months and not later than 5 years	-	6,749
-- Later than 5 years	-	-
Minimum loan payments	6,988	13,499
Less estimated future finance charges (at current variable rate)	(580)	(1,495)
Total loans and borrowings	6,408	12,004

a. Commercial bank loan for purchase of motor vehicle commencing June 2009, with 24-month contract length and variable interest rate charges. No debt covenants or other such arrangements are in place.

	2010	2009
Operating lease commitments^b		
Payable – minimum lease payments		
-- Not later than 12 months	10	22,115
-- Later than 12 months and not later than 5 years	-	22,778
-- Later than 5 years	-	-
Minimum lease payments	10	44,893
Total operating lease commitments	10	44,893

b. Non-cancellable operating lease on property with a three-year term commencing July 2008 contracted for but not capitalised in the financial statements. No capital commitments exist in regards to the operating lease commitments at year-end. The lease commitment was changed to a peppercorn arrangement from July 2009.

The Centre also has a 36-month operating lease on photocopy equipment which commenced in October 2008 and is contracted until September 2011. At balance date, the remaining lease commitment was \$3,445 (2009: \$6,201).

Note 17. Cash flow information

	2010	2009
	\$	\$
Reconciliation of cash flow from operations with surplus (deficit) for the period		
Surplus (deficit)	10,143	1,847
Items in surplus (deficit) classified as investing activities		
Capital grants	(2,500)	(10,784)
Non operating cash flows in surplus (deficit)		
Depreciation	10,836	8,442
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(8,390)	(4,887)
(Increase) decrease in inventories	1,239	(1,239)
(Increase) decrease in prepayments	(1,135)	643
Increase (decrease) in payables	5,926	(3,693)
Increase (decrease) in provisions	(1,078)	(3,449)
Increase (decrease) in income received in advance	38,586	(25,181)
Net cash inflow (outflow) from operating activities	53,627	(38,301)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

Note 18. Auditors' remuneration

	2010	2009
	\$	\$
Remuneration of the auditors of the association, Sean Denham and Associates, for:		
-- Audit of the annual financial report	1,600	1,200
Total auditors' remuneration	1,600	1,200

Note 19. Events after the reporting period

In the 2009 financial statements, The Centre advised of the major financial challenge, both immediate and ongoing, presented by a 70% or \$200,000 core funding reduction from the City of Melbourne under the new Community Services Funding Agreement (CSFA) effective 1 July 2009. This reduction was offset in the first year by a one-off \$150,000 transition grant.

The Centre has developed strategies to target sustainable alternative funding sources with the aim of maintaining service levels. To assist with implementation, The Centre applied for and received in July 2010 conditional further transition funding commitments from the City of Melbourne for the next two years, of \$100,000 and \$50,000 respectively. The Centre believes these funds will provide for reasonable time to realise its strategic plans and secure new funding.

Note 20. Association details

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

The Centre: Connecting Community in North & West Melbourne Inc.
58 Errol Street
North Melbourne VIC 3051

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee of The Centre: Connecting Community in North & West Melbourne Inc. ('The Centre') has determined that the association is not a reporting entity and that these special purpose financial statements 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 1 to 15:

1. Presents a true and fair view of the financial position of The Centre as at 30 June 2010 and its performance for the year ended on that date;
2. At the date of this statement, there are reasonable grounds to believe that The Centre will be able to pay its debts as and when they fall due.

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

Chair:



Ann Wilkinson

Treasurer:



Gary Heard

Dated this 10th day of November 2010

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
The Centre: Connecting Community in North & West Melbourne Inc.**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Centre: Connecting Community in North & West Melbourne Inc. which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, and the statement of cash flows and statement of changes in equity for the year ended on that date, notes to the financial statements and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statement, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 (Vic) and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conduct our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.


The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act 1981 (Vic). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion:

The financial report of The Centre: Connecting Community in North & West Melbourne Inc. is in accordance with the Associations Incorporation Act 1981 (Vic) including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1981 (Vic).



Sean Denham

Dated: 10 November 2010

Sean Denham & Associates - CPA's

Suite 6, 707 Mt Alexander Road, Moonee Ponds VIC 3039