



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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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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 2011

	Note	2011 \$	2010 \$
INCOME			
Government and other grants	2	364,227	354,332
Other income	3	63,019	49,451
TOTAL INCOME		427,246	403,783
EXPENDITURE			
Employee benefits	4	(203,348)	(228,005)
Contractors		(59,320)	(53,163)
Advertising and promotion		(7,644)	(19,319)
Depreciation		(9,024)	(10,836)
Office costs		(11,310)	(12,460)
Printing and stationery		(8,973)	(11,848)
Programming costs		(15,268)	(18,954)
Project expenses	5	(76,094)	(10,000)
Other expenses	6	(28,685)	(29,055)
TOTAL EXPENDITURE		(419,666)	(393,640)
SURPLUS (DEFICIT) FOR THE PERIOD		7,580	10,143
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)		-	-
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		7,580	10,143

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	175,866	212,109
Receivables	8	3,855	13,766
Prepayments		4,591	4,238
Total current assets		184,312	230,113
Non-current assets			
Property, plant and equipment	9	23,153	42,436
Total non-current assets		23,153	42,436
TOTAL ASSETS		207,465	272,549
LIABILITIES			
Current liabilities			
Payables	10	50,083	52,135
Loans and borrowings	11	-	6,408
Provisions	12	4,153	27,184
Income received in advance	13	51,986	91,813
Total current liabilities		106,222	177,540
Non-current liabilities			
Provisions	12	299	1,645
Total non-current liabilities		299	1,645
TOTAL LIABILITIES		106,521	179,185
NET ASSETS		100,944	93,364
EQUITY			
Reserves		53,053	50,928
Retained earnings		47,891	42,436
TOTAL EQUITY	14	100,944	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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Retained earnings \$	Reserves \$	TOTAL \$
BALANCE AT 1 JULY 2009		30,895	52,326	83,221
Surplus (deficit) for the year		10,143		10,143
Amount transferred (to) from reserves		1,398	(1,398)	-
BALANCE AT 30 JUNE 2010		42,436	50,928	93,364
Surplus (deficit) for the year		7,580		7,580
Amount transferred (to) from reserves		(2,125)	2,125	-
BALANCE AT 30 JUNE 2011	14	47,891	53,053	100,944

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 2011

	Note	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government and other grants		328,538	382,589
Other receipts		59,699	44,124
Employee benefits paid		(221,135)	(236,268)
Payments to suppliers		(211,532)	(151,009)
Net interest received (paid)		5,541	4,412
Net GST received (paid)		(1,700)	9,779
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	16	(40,589)	53,627
CASH FLOW FROM INVESTING ACTIVITIES			
Capital grants		2,640	2,500
Proceeds from disposal of property, plant and equipment		9,850	-
Purchase of property, plant and equipment		(1,736)	(5,081)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		10,754	(2,581)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(6,408)	(5,596)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		(6,408)	(5,596)
NET INCREASE (DECREASE) IN CASH HELD		(36,243)	45,450
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		212,109	166,659
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	175,866	212,109

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

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 2011 and the comparative information for the year ended 30 June 2010.

(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 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. 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).

The Centre: Connecting Community in North & West Melbourne Inc.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(b) Property, plant and equipment

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

Depreciation

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

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

<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.

(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, 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(e) Impairment

The association assesses the carrying amounts of its financial and non-financial assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated, and any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss.

Impairment losses are expensed to the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through the statement of comprehensive income.

The recoverable amount for assets is recognised at either the present value of estimated future cash flows, fair value less costs to sell or depreciated replacement cost, depending on the asset.

Impairment of the association's financial instruments is not recognised until objective evidence exists that a loss event has occurred. A provision for impairment losses is raised if there is an indicator that an impairment loss may be incurred.

An impairment loss is reversed if a subsequent increase in the recoverable amount of the asset can be objectively related to an event occurring after the impairment loss was recognised.

(f) Provisions

Provisions are made when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

(g) Income received in advance

Income received in advance represents liabilities for amounts received by The Centre in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a) Revenue*.

(h) Employee benefits

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

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

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.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(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) Rounding

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

(m) 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.

(n) Adoption of new and revised accounting standards

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 2011 have not been applied. The association anticipates that these standards will have little or no material effect on the financial statements.

Note 2. Government and other grants

	2011	2010
	\$	\$
City of Melbourne		
-- Community services funding	86,830	84,465
-- Transition funding ^a	100,000	150,000
-- Project grants ^b	71,719	33,954
Department for Planning and Community Development (DPCD) ^c	73,328	69,804
Other grants	32,350	16,109
Total government and other grants	364,227	354,332

a. Interim grant funding to facilitate transition to new base community services 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 and Neighbourhood House Coordination Program (NHCP) funding.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 3. Other income

Note	2011 \$	2010 \$
Fees from courses and activities	26,001	27,869
Interest	5,541	4,412
North & West Melbourne News advertising and subscription revenue	7,687	7,837
Spring Fling Festival sponsorship and other revenue ^a	7,511	-
All other revenue	6,746	9,333
Gains ^b	9,533	-
Total other income	63,019	49,451

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

b. Write-back of historical project-related liabilities plus gains on disposal of non-current assets.

Note 4. Employee benefits

	2011 \$	2010 \$
Salaries and wages	196,417	188,029
Leave provisions	(24,378)	(1,078)
Superannuation *	29,074	38,387
Workcover	2,235	2,667
Total employee benefits	203,348	228,005

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

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 higher for the year ended 30 June 2011 versus the comparative year, due to delivery of the festival in the 2011 reporting period (October 2010) (comparative period reflects only initial expenditure in relation to the development of the October 2010 festival).

The majority of festival expenditure is classified as project expenses. Revenue is matched to expenditure in accordance with *Note 1 (a) Revenue*.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 6. Other expenses

	2011	2010
	\$	\$
Audit fees	1,750	1,600
Communications	3,777	4,384
Computer and IT costs	6,232	5,497
Finance costs	-	-
Loss on disposal of asset *	2,178	-
Other staffing costs	3,989	4,626
Subscriptions and memberships	1,316	1,591
Volunteer expenses	2,389	2,486
All other expenses	7,054	8,871
Total other expenses	28,685	29,055

* During the year, The Centre sold its motor vehicle. The loss on disposal represents the difference between the sale price of \$9,500 and the written down value of the vehicle at the time of sale which was \$11,678.

Note 7. Cash and cash equivalents

	2011	2010
	\$	\$
Cash at bank	174,394	210,932
Cash on hand	1,472	1,177
Total cash and cash equivalents	175,866	212,109

Note 8. Receivables

	2011	2010
	\$	\$
Trade and sundry debtors	3,855	13,766
Total receivables	3,855	13,766

The Centre: Connecting Community in North & West Melbourne Inc.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 9. Property, plant and equipment

	2011	2010
	\$	\$
Office furniture and equipment:		
At cost	78,546	81,685
Accumulated depreciation	(55,393)	(51,396)
Total office furniture and equipment	23,153	30,289
Motor vehicles:		
At cost	-	15,007
Accumulated depreciation	-	(2,860)
Total motor vehicles	-	12,147
Total property, plant and equipment	23,153	42,436

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 2009	34,168	14,023	48,191
Additions	5,081	-	5,081
Depreciation expense	(8,960)	(1,876)	(10,836)
Balance at 30 June 2010	30,289	12,147	42,436
Additions	1,736	-	1,736
Disposals (at written down value) *	(317)	(11,678)	(11,995)
Depreciation expense	(8,555)	(469)	(9,024)
Carrying amount at 30 June 2011	23,153	-	23,153

* During the year, The Centre sold a computer and a motor vehicle. The sale of the computer yielded a gain of \$33, the sale of the motor vehicle a loss of \$2,178 (combined loss of \$2,145). The gain and loss on disposal of the assets are recorded in the statement of comprehensive income as other income and other expenses respectively. Refer also *Note 6: Other expenses* above for details of motor vehicle disposal.

Note 10. Payables

	2011	2010
	\$	\$
Trade and sundry creditors	34,678	39,480
Goods and services tax payable	7,628	10,555
Pay-as-you-go withholding tax payable	7,777	2,100
Total payables	50,083	52,135

The Centre: Connecting Community in North & West Melbourne Inc.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 11. Loans and borrowings

	Note	2011 \$	2010 \$
Commercial loan	15	-	6,408
Total borrowings		-	6,408

Note 12. Provisions

	2011 \$	2010 \$
Current		
Employee benefits		
-- Annual leave	4,153	27,184
Total current	4,153	27,184
Non-current		
Employee benefits		
-- Long-service leave	299	1,645
Total non-current	299	1,645
Total provisions	4,452	28,829
Movements in long service leave:		
Balance at beginning of year	1,645	8,906
Net provisions made during year	(1,346)	(7,261)
Balance at end of year	299	1,645

Note 13. Income received in advance

	2011 \$	2010 \$
Grants in advance	47,986	90,757
Fees in advance	4,000	1,056
Total income received in advance	51,986	91,813

The Centre: Connecting Community in North & West Melbourne Inc.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 14. Equity and reserves

Movements in equity

Movement in balances for reserves and retained earnings:

	Fixed asset reserve	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at 1 July 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
Increase (decrease) for year	(12,875)	15,000	5,455	7,580
Balance at 30 June 2011	23,153	29,900	47,891	100,944

Nature and purpose of reserves

Fixed asset reserve

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

Other reserves

Other reserves include funds held aside for future community development programs, and contingencies.

Retained earnings

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

Note 15. Loan and leasing commitments

	2011	2010
	\$	\$
Loan commitments *		
Loan payments, payable not later than 12 months	-	6,988
Less estimated future finance charges (at current variable rate)	-	(580)
Total loans and borrowings	-	6,408

* Commercial bank loan for purchase of motor vehicle which was repaid during the year.

Operating lease commitments

The Centre 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 \$689 (2010: \$3,445).

The Centre also has a peppercorn lease arrangement on property. The applicable lease commitment at balance date was \$10 (2010: \$10).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 16. Cash flow information

	2011	2010
	\$	\$
Reconciliation of cash flow from operations with surplus (deficit) for the period		
Surplus (deficit)	7,580	10,143
Items in surplus (deficit) classified as investing activities		
Capital grants	(2,640)	(2,500)
Non operating cash flows in surplus (deficit)		
Depreciation	9,024	10,836
Net (gain) loss on disposal of non-current assets	2,145	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	9,911	(8,390)
(Increase) decrease in inventories	-	1,239
(Increase) decrease in prepayments	(353)	(1,135)
Increase (decrease) in payables	(2,052)	5,926
Increase (decrease) in provisions	(24,377)	(1,078)
Increase (decrease) in income received in advance	(39,827)	38,586
Net cash inflow (outflow) from operating activities	(40,589)	53,627

Note 17. Auditors' remuneration

	2011	2010
	\$	\$
Remuneration of the auditors of the association, Sean Denham and Associates, for:		
-- Audit of the annual financial report	1,750	1,600
Total auditors' remuneration	1,750	1,600

Note 18. Events after the reporting period

In the 2010 financial statements, The Centre advised of additional transition funding commitments from the City of Melbourne, reducing from \$100,000 in 2010/11 to \$50,000 in 2011/12, to support transition to the reduced level of base funding under the new Community Services Funding Agreement (CSFA) (effective 1 July 2009).

Since the end of the reporting period, The Centre has reduced overall operations to a level supportable by the reduced level of funding. The financial impact of this reduction will be reflected in the 2012 financial statements.

Note 19. 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

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

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 14:

1. Presents a true and fair view of the financial position of The Centre as at 30 June 2011 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: 
Karl Hessian

Treasurer: 
Gary Heard

Dated this 29 day of NOVEMBER 2011

**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 2011, 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 2011 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: 29 November 2011

Sean Denham & Associates - CPA's
Suite 1, 707 Mt Alexander Road, Moonee Ponds VIC 3039