



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

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>INCOME</b>			
Government and other grants	2	314,234	364,227
Other income	3	66,115	63,019
<b>TOTAL INCOME</b>		<b>380,349</b>	<b>427,246</b>
<b>EXPENDITURE</b>			
Employee benefits	4	(135,676)	(203,348)
Contractors		(46,578)	(59,320)
Advertising and promotion		(6,936)	(7,644)
Depreciation		(7,918)	(9,024)
Office costs		(10,997)	(11,310)
Printing and stationery		(10,861)	(8,973)
Programming costs		(7,541)	(15,268)
Project expenses	5	(26,449)	(76,094)
Other expenses	6	(21,183)	(28,685)
<b>TOTAL EXPENDITURE</b>		<b>(274,139)</b>	<b>(419,666)</b>
<b>NET RESULT FOR THE PERIOD</b>	17	<b>106,210</b>	<b>7,580</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD</b>		<b>106,210</b>	<b>7,580</b>

*The accompanying notes form part of these financial statements.*

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	248,681	175,866
Receivables	8	5,920	3,855
Prepayments		6,112	4,591
<b>Total current assets</b>		<b>260,713</b>	<b>184,312</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	20,193	23,153
<b>Total non-current assets</b>		<b>20,193</b>	<b>23,153</b>
<b>TOTAL ASSETS</b>		<b>280,906</b>	<b>207,465</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	32,965	50,083
Provisions	11	6,626	4,153
Income received in advance	12	31,121	51,986
<b>Total current liabilities</b>		<b>70,712</b>	<b>106,222</b>
<b>Non-current liabilities</b>			
Provisions	11	3,040	299
<b>Total non-current liabilities</b>		<b>3,040</b>	<b>299</b>
<b>TOTAL LIABILITIES</b>		<b>73,752</b>	<b>106,521</b>
<b>NET ASSETS</b>		<b>207,154</b>	<b>100,944</b>
<b>EQUITY</b>			
Reserves		110,193	53,053
Retained earnings		96,961	47,891
<b>TOTAL EQUITY</b>	13	<b>207,154</b>	<b>100,944</b>

*The accompanying notes form part of these financial statements.*

**The Centre: Connecting Community in North & West Melbourne Inc.**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Retained earnings \$	Reserves \$	TOTAL \$
<b>BALANCE AT 1 JULY 2010</b>		42,436	50,928	93,364
Surplus (deficit) for the year		7,580		7,580
Amount transferred (to) from reserves		(2,125)	2,125	-
<b>BALANCE AT 30 JUNE 2011</b>		47,891	53,053	100,944
Surplus (deficit) for the year		106,210		106,210
Amount transferred (to) from reserves		(57,140)	57,140	-
<b>BALANCE AT 30 JUNE 2012</b>	13	96,961	110,193	207,154

*The accompanying notes form part of these financial statements.*

**The Centre: Connecting Community in North & West Melbourne Inc.**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Government and other grants		289,999	328,538
Other receipts		56,970	59,699
Employee benefits paid		(139,781)	(221,135)
Payments to suppliers		(133,390)	(211,532)
Net interest received (paid)		7,725	5,541
Net GST received (paid)		(6,508)	(1,700)
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	14	<b>75,015</b>	<b>(40,589)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital grants		2,758	2,640
Proceeds from disposal of property, plant and equipment		-	9,850
Purchase of property, plant and equipment		(4,958)	(1,736)
<b>NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(2,200)</b>	<b>10,754</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(6,408)
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>(6,408)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>72,815</b>	<b>(36,243)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>175,866</b>	<b>212,109</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	7	<b>248,681</b>	<b>175,866</b>

*The accompanying notes form part of these financial statements.*

**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 2012**

**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 2012 and the comparative information for the year ended 30 June 2011.

**(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).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**(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%

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 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.

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 2012**

**(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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**(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.

**(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 2012 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 2012**

**Note 2. Government and other grants**

	2012	2011
	\$	\$
City of Melbourne		
-- Community services funding	89,695	86,830
-- Transition funding <sup>a</sup>	50,000	100,000
-- Project grants <sup>b</sup>	37,595	71,719
Department of Education and Early Childhood Development (DEECD)		
-- Adult Community and Further Education (ACFE) program delivery	31,800	23,034
-- ACFE Capacity & Innovation grant	40,000	-
-- ACFE equipment grants	2,758	2,640
Department of Human Services - Neighbourhood House Coordination Program	44,495	43,304
Other grants	17,891	36,700
<b>Total government and other grants</b>	<b>314,234</b>	<b>364,227</b>

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).

**Note 3. Other income**

	Note	2012	2011
		\$	\$
Fees from courses and activities		44,926	26,001
Interest		9,537	5,541
North & West Melbourne News advertising and subscription revenue		10,675	7,687
Spring Fling Festival sponsorship and other revenue <sup>a</sup>		168	7,511
All other revenue		809	6,746
Gains <sup>b</sup>		-	9,533
<b>Total other income</b>		<b>66,115</b>	<b>63,019</b>

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**

	2012	2011
	\$	\$
Salaries and wages	118,445	196,417
Leave provisions	5,215	(24,378)
Superannuation *	10,256	29,074
Workcover	1,760	2,235
<b>Total employee benefits</b>	<b>135,676</b>	<b>203,348</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**Note 5. Project expenses**

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

The comparative period includes project expenses relating to delivery of the last Spring Fling street festival held in October 2010. The current period includes minor interim-year Spring Fling activity plus initial development costs in relation to the delivery of the next festival scheduled for October 2012.

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

**Note 6. Other expenses**

	2012	2011
	\$	\$
Audit fees	1,900	1,750
Communications	3,311	3,777
Computer and IT costs	8,694	6,232
Loss on disposal of asset *	-	2,178
Other staffing costs	1,426	3,989
Subscriptions and memberships	756	1,316
Volunteer expenses	759	2,389
All other expenses	4,337	7,054
<b>Total other expenses</b>	<b>21,183</b>	<b>28,685</b>

\* Loss on sale of motor vehicle in 2011.

**Note 7. Cash and cash equivalents**

	2012	2011
	\$	\$
Cash in bank accounts and short term deposits	244,374	174,394
Cash on hand	4,307	1,472
<b>Total cash and cash equivalents</b>	<b>248,681</b>	<b>175,866</b>

**Note 8. Receivables**

	2012	2011
	\$	\$
Trade and sundry debtors	5,920	3,855
<b>Total receivables</b>	<b>5,920</b>	<b>3,855</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**Note 9. Property, plant and equipment**

	2012	2011
	\$	\$
Office furniture and equipment:		
At cost	82,009	78,546
Accumulated depreciation	(61,816)	(55,393)
Total office furniture and equipment *	20,193	23,153
<b>Total property, plant and equipment</b>	<b>20,193</b>	<b>23,153</b>

\* Several items of aged office furniture and equipment with nil residual value were disposed of, and the associated asset costs and accumulated depreciation removed, during 2012.

**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 \$
<b>Balance at 1 July 2010</b>	<b>30,289</b>	<b>12,147</b>	<b>42,436</b>
Additions	1,736	-	1,736
Disposals (at written down value) *	(317)	(11,678)	(11,995)
Depreciation expense	(8,555)	(469)	(9,024)
<b>Balance at 30 June 2011</b>	<b>23,153</b>	<b>-</b>	<b>23,153</b>
Additions	4,958	-	4,958
Depreciation expense	(7,918)	-	(7,918)
<b>Carrying amount at 30 June 2012</b>	<b>20,193</b>	<b>-</b>	<b>20,193</b>

\* Sale of a computer and a motor vehicle. The gain/loss on disposal of the assets are recorded in the statement of comprehensive income as other income and other expenses respectively.

**Note 10. Payables**

	2012	2011
	\$	\$
Trade and sundry creditors	28,894	34,678
Goods and services tax payable	1,708	7,628
Pay-as-you-go withholding tax payable	2,363	7,777
<b>Total payables</b>	<b>32,965</b>	<b>50,083</b>

**The Centre: Connecting Community in North & West Melbourne Inc.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**Note 11. Provisions**

	2012	2011
	\$	\$
<b>Current</b>		
Employee benefits		
-- Annual leave	6,626	4,153
<b>Total current</b>	<b>6,626</b>	<b>4,153</b>
<b>Non-current</b>		
Employee benefits		
-- Long-service leave	3,040	299
<b>Total non-current</b>	<b>3,040</b>	<b>299</b>
<b>Total provisions</b>	<b>9,666</b>	<b>4,452</b>
<b>Movements in long service leave:</b>		
Balance at beginning of year	299	1,645
Net provisions made during year	2,741	(1,346)
<b>Balance at end of year</b>	<b>3,040</b>	<b>299</b>

**Note 12. Income received in advance**

	2012	2011
	\$	\$
Grants in advance	26,231	47,986
Fees in advance	4,890	4,000
<b>Total income received in advance</b>	<b>31,121</b>	<b>51,986</b>

**The Centre: Connecting Community in North & West Melbourne Inc.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**Note 13. Equity and reserves**

**Movements in equity**

Movement in balances for reserves and retained earnings:

	Fixed asset reserve \$	Equipment purchase & replacement reserve \$	Program & other reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2010</b>	<b>36,028</b>	-	<b>14,900</b>	<b>42,436</b>	<b>93,364</b>
Increase (decrease) for year	(12,875)	-	15,000	5,455	7,580
<b>Balance at 30 June 2011</b>	<b>23,153</b>	-	<b>29,900</b>	<b>47,891</b>	<b>100,944</b>
Increase (decrease) for year	(2,960)	30,000	30,100	49,070	106,210
<b>Balance at 30 June 2012</b>	<b>20,193</b>	<b>30,000</b>	<b>60,000</b>	<b>96,961</b>	<b>207,154</b>

**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.

**Equipment purchase and replacement reserve**

This reserve represents funds set aside for future equipment purchases and facility upgrades, office refits and refurbishments. The level of reserve is monitored in line with anticipated requirements.

**Program and other reserves**

These reserves include funds held aside for forthcoming program development and delivery, including a pilot children's and youth program and employment of an instructional designer, plus contingencies.

**Retained earnings**

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

**Note 14. Cash flow information**

	2012 \$	2011 \$
<b>Reconciliation of cash flow from operations with net result for the period</b>		
Net result for the period	106,210	7,580
Items in net result classified as investing activities		
Capital grants	(2,758)	(2,640)
Non operating cash flows in net result		
Depreciation	7,918	9,024
Net (gain) loss on disposal of non-current assets	-	2,145
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(2,065)	9,911
(Increase) decrease in prepayments	(1,521)	(353)
Increase (decrease) in payables	(17,118)	(2,052)
Increase (decrease) in provisions	5,214	(24,377)
Increase (decrease) in income received in advance	(20,865)	(39,827)
<b>Net cash inflow (outflow) from operating activities</b>	<b>75,015</b>	<b>(40,589)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**Note 15. Operating lease commitments**

The Centre has a 36-month operating lease on photocopy equipment which commenced in July 2012. At balance date, the remaining lease commitment was \$8,360 (2011: outgoing photocopier lease commitment \$689).

The Centre also has a peppercorn lease arrangement on property. The applicable lease commitment at balance date was \$10 (2011: \$10).

**Note 16. Auditors' remuneration**

	2012	2011
	\$	\$
Remuneration of the auditors of the association, Sean Denham and Associates, for:		
-- Audit of the annual financial report	1,900	1,750
<b>Total auditors' remuneration</b>	<b>1,900</b>	<b>1,750</b>

**Note 17. Change in operations**

The Centre is in the process of redevelopment following reductions in funding from The City of Melbourne (as advised in previous financial reports), which has required an organisational restructure and employment of new staff and management. Partial implementation of the redeveloped program commenced midway through the year with the related expenditure temporarily lagging behind income due to timing and scheduling factors. Overall activity and associated expenditure is expected to significantly increase over the next financial year as full implementation takes effect, with a significant impact on The Centre's operations and results of those operations anticipated.

**Note 18. 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.**  
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**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 2012 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.

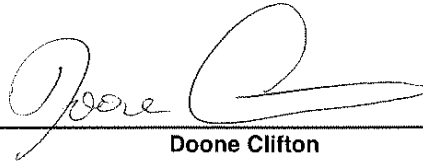
The statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chair:



**Karl Hessian**

Treasurer:



**Doone Clifton**

Dated this 10 day of OCTOBER 2012



**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 2012, 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 2012 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: 17 October 2012

Sean Denham & Associates - CPA's

Suite 1, 707 Mt Alexander Road, Moonee Ponds VIC 3039