

# **Newtown Neighbourhood Centre Inc.**

ABN: 96 884 462 833

## **Financial Report**

**For Year Ended 30 June 2018**

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# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	NOTE	2018	2017
<b>CURRENT ASSETS</b>			
Cash	3	880,717	1,166,441
Receivables	4	35,140	42,884
<b>TOTAL CURRENT ASSETS</b>		<u>915,856</u>	<u>1,209,325</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant, Equipment & Intangibles	5	136,628	35,005
<b>TOTAL NON-CURRENT ASSETS</b>		<u>136,628</u>	<u>35,005</u>
<b>TOTAL ASSETS</b>		<b>1,052,484</b>	<b>1,244,330</b>
<b>CURRENT LIABILITIES</b>			
Creditors & Other Payables	6	394,477	691,781
Provisions	7	321,079	278,600
<b>TOTAL CURRENT LIABILITIES</b>		<u>715,556</u>	<u>970,381</u>
<b>TOTAL LIABILITIES</b>		<b>715,556</b>	<b>970,381</b>
<b>NET ASSETS</b>		<u><b>336,928</b></u>	<u><b>273,949</b></u>
<b>EQUITY</b>			
Accumulated Funds	8	336,928	273,949
<b>TOTAL EQUITY</b>		<u><b>336,928</b></u>	<u><b>273,949</b></u>

*The accompanying notes form part of these financial statements*

## Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

### INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
<b>INCOME</b>		
Donations & Fundraising	116,735	22,534
Client Contributions & Program Income	24,190	21,087
Festival Income	463,598	345,517
Grants & Funding Received	2,580,600	2,558,911
Hall Hire	46,233	43,950
Interest Received	16,449	25,306
Markets Income	87,778	66,862
Membership Fees	200	160
Sundry Income	38	586
<b>TOTAL INCOME</b>	<u>3,366,683</u>	<u>3,084,914</u>
<b>EXPENDITURE</b>		
Accountancy & Administration Charges	59,439	85,886
Advertising & Promotion	15,909	10,224
Audit fees	7,800	7,836
Auspicing fees	215,000	182,350
Bad Debts	-	-
Bank Charges & Fees	7,086	4,078
Computer Maintenance & Support	53,269	62,029
Consultants fees	86,678	58,809
Depreciation	25,146	8,958
Donations	1,104	-
Equipment Purchases	4,247	3,310
Festival Equipment Hire/Expenses	146,329	228,051
Fundraising Expenses	590	617
Insurance	57,696	20,251
Licences, Registrations & Permits	10,706	15,080
Meeting Expenses	4,866	3,519
Motor Vehicle Expenses	31,673	30,596
Printing, Postage, Photocopying & Stationery	28,862	7,699
Program Expenses & Materials	80,012	73,998
Provision - Employee Entitlements	42,479	(68,623)
Rent & Property Costs	173,664	149,986
Salaries, contractors & on costs	2,147,604	2,090,656
Staff Amenities, Training & Resources	63,152	18,673
Sundry Expenses	(3,998)	1,888
Telecommunications	38,995	43,730
Travel	5,398	5,548
	<u>3,303,705</u>	<u>3,045,148</u>
<b>NET SURPLUS (LOSS) FOR YEAR</b>	<u>62,979</u>	<u>39,766</u>

The accompanying notes form part of these financial statements

**Newtown Neighbourhood Centre Inc.**

ABN: 96 884 462 833

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2018	2017
Opening Balance at 1 July	8	273,949	234,183
Transfer from Reserve		-	-
Surplus (Loss) for the year		62,979	39,766
<b>Closing Balance at 30 June</b>		<b>336,928</b>	<b>273,949</b>

*The above statement in changes in equity should be read in conjunction with the accompanying notes.*

**STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 30 JUNE 2018**

	NOTE	2017	2017
<u>Cash flow from operating activities</u>			
Receipts from customers		793,267	525,130
Grants Received		2,306,471	2,587,061
Interest received		16,449	25,306
Payments to suppliers		(3,275,142)	(3,105,343)
<u>Net Cash provided by (used in) operating activities</u>		<u>(158,956)</u>	<u>32,154</u>
<u>Cash flow from investing activities</u>			
Payment for plant, equipment & intangibles	5	(126,769)	(12,798)
<u>Net Cash provided by (used in) investing activities</u>		<u>(126,769)</u>	<u>(12,798)</u>
Net increase (decrease) in cash held		(285,725)	19,355
Cash at beginning of the year		1,166,442	1,147,086
Cash at the end of the year		<u>880,717</u>	<u>1,166,442</u>

*Note 1 - Reconciliation of cash*

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand		4,887	5,866
Cash at Bank		875,830	1,160,575
	3	<u>880,717</u>	<u>1,166,441</u>

*Note 2 - Reconciliation of net cash provided by (used in) operating activities to net surplus*

Net surplus (loss)		62,979	39,766
Depreciation	5	25,146	8,958
Prior Period Adjustments			

*Changes in Assets and Liabilities*

Decrease (Increase) in receivables & prepayments		23,632	30,390
Increase (Decrease) in accounts payable & funding in advance		(15,887)	15,202
Increase (Decrease) in provisions		(297,304)	(62,163)
Increase (Decrease) in reserves		42,479	-
		<u>(158,956)</u>	<u>32,154</u>

*The accompanying notes form part of these financial statements*

# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 1: Summary of significant accounting policies

These financial statements are special purpose financial statements in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

#### Income Tax

The Entity, being a registered charity, is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997 and accordingly no provision for income tax is required.

#### Revenue recognition

Revenue is recognised as follows:

*(i) Grants and donations*

Grants, donations and fundraising are recognised when the money is received.

*(ii) Interest income*

Interest income is recognised when the interest is earned.

*(iii) Other income*

All other income such as fees received, is recognised when the invoice is raised.

#### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

- Leasehold Improvements	100% amortised
- Motor Vehicles	20% PCM
- Furniture, fittings and equipment	between 10% to 33% PCM

Any assets acquired during the year under acquittal funds have been written off in the year of purchase. An asset register is maintained and reviewed on a regular basis.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 1: Statement of Significant Accounting Policies (Cont'd)

#### Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Association as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

#### Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Employee Benefits

##### (i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

##### (ii) Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

##### (iii) Redundancy

A liability for redundancy is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 1: Statement of Significant Accounting Policies (Cont'd)

#### Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reported period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### Note 2: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

While the majority of revenue is received from grants and donations, there are no indicators that this funding will cease in the next 12 months. As such, the financial statements have been prepared on a going concern basis.

Note 3 - Cash	2018	2017
Cash on Hand	4,887	5,866
Cash at Bank	875,830	1,160,575
	<u>880,717</u>	<u>1,166,441</u>

### Note 4 - Receivables

Accounts receivable	2,775	7,192
Other Debtors	5,850	25,065
Prepaid expenses	26,514	10,627
	<u>35,140</u>	<u>42,884</u>

Current trade receivables are non-interest bearing loans and generally are receivable within 30 days. A provision for impairment is recognised where there is subjective evidence that an individual trade receivable is impaired.

Note 5 - Property, Plant, Equipment & Intangibles	2018	2017
Leasehold Improvements - at cost	92,175	13,678
Accumulated Amortisation	(24,535)	(13,678)
	<u>67,640</u>	<u>-</u>
Office Redevelopment - at cost	24,780	24,780
Accumulated Amortisation	(24,780)	(24,780)
	<u>-</u>	<u>-</u>
Computer/Software - at cost	129,916	100,145
Accumulated Depreciation	(99,800)	(96,762)
	<u>30,116</u>	<u>3,383</u>
Office Equipment & Fittings - at cost	43,099	29,210
Accumulated Depreciation	(22,531)	(20,915)
	<u>20,568</u>	<u>8,295</u>
Motor Vehicles - at cost	38,766	72,316
Accumulated Depreciation	(32,069)	(61,787)
	<u>6,697</u>	<u>10,529</u>
Intangibles	17,409	12,798
Accumulated Amortisation	(5,802)	-
	<u>11,607</u>	<u>12,798</u>
	<u>136,628</u>	<u>35,005</u>

# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
<b>Note 6 - Creditors &amp; Other Payables</b>		
Unspent Funding - Rollover	0	6,280
Grants Received in Advance	120,202	388,052
Trade Creditors & Accruals	274,274	297,449
	<u>394,477</u>	<u>691,781</u>
<b>Note 7 - Provisions</b>		
Redundancy Provision	70,589	37,667
Employee benefits - long service leave	110,945	108,376
Employee benefits - annual leave	139,544	132,557
	<u>321,079</u>	<u>278,600</u>
<b>Note 8 - Accumulated Funds</b>		
Balance at Start of year	273,949	234,183
Transfer from Reserve	0	0
Surplus (loss) for the year	62,979	39,766
Balance at end of year	<u>336,928</u>	<u>273,949</u>
<b>Note 9 - Remuneration Of Auditors</b>		
Auditing acquittals and reviewing the financial report	6,000	6,000
Other services	1,800	1,836
	<u>7,800</u>	<u>7,836</u>

### **Note 10: Related Party Transactions**

No income has been received or is due and receivable by the Committee Members while acting in their capacity as Committee Members.

### **Note 11: Events after the balance sheet date**

No matters or circumstances have arisen since the end of the financial year to date of this report which have significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in subsequent financial years.

### **Note 12: Segment Reporting**

The entity operates in the community services sector providing social support services to people living in Marrickville local government area and the surrounding region.

### **Note 13: Association Details**

The registered office and principal place of business of the Entity is:  
- 1 Bedford Street, Newtown NSW 2042



# Newtown Neighbourhood Centre Inc.

ABN: 96 884 462 833

## Statement by Members of the Committee FOR THE YEAR ENDED 30 JUNE 2018

As stated in Note 1 to the financial statements, in the committee members' opinion, the association is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the Associations Incorporation Act (NSW) 2009 requirements.


The Financial Report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1.

In the opinion of the Committee the financial report as set out on pages 2 to 8:

- (i) Presents a true and fair view of the financial position of Newtown Neighbourhood Centre Inc. as at 30 June 2018 and its performance for the period ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- (ii) At the date of this statement, there are reasonable grounds to believe that Newtown Neighbourhood Centre Inc. will be able to pay its debts as and when they fall due.

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

President.....  
  
Jo Wallace

Treasurer.....  
  
Scott McDougall

Dated this 24th-day of September 2018

