

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC

ABN: 46 636 213 835

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

ASSETS	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	680,871	514,642
Trade Debtors		165	3,093
Other Assets		25,189	50,954
Other Debtors		-	33,414
TOTAL CURRENT ASSETS		706,225	602,103
NON-CURRENT ASSETS			
BCU Shares		-	20
Plant & Equipment		94,561	130,029
Accumulated Depreciation		(71,669)	(102,819)
TOTAL NON-CURRENT ASSETS		22,892	27,230
TOTAL ASSETS		729,117	629,333
LIABILITIES			
CURRENT LIABILITIES			
Trade Creditors		27,316	1,877
Fees Received in Advance		40,000	5,000
GST Payable		8,013	12,225
PAYG Tax Payable		9,608	7,088
Superannuation Payable		14,943	12,641
Employee Provisions		55,529	55,716
Repairs and Replacement Provision		-	12,658
TOTAL CURRENT LIABILITIES		155,409	107,205
NON-CURRENT LIABILITIES			
Employee Provisions		15,479	8,490
TOTAL NON-CURRENT LIABILITIES		15,479	8,490
TOTAL LIABILITIES		170,888	115,695
NET ASSETS		558,229	513,638
MEMBERS FUNDS			
Equity transferred from Urunga Neighbourhood Centre Inc		188,897	188,897
Equity transferred from Bellingen Neighbourhood Centre Inc		235,906	235,906
Retained Earnings		88,835	0
Restatement of Prior Year Sick Leave Provision (Urunga)		0	3,752
Current Year Surplus		44,591	85,083
TOTAL MEMBERS FUNDS		558,229	513,638

The accompanying notes form part of these financial statements.

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

	2021	19-Dec-19 30-Jun-20
	\$	\$
INCOME		
Grants	885,983	356,837
Fees	356	999
Sales and Services	2,001	1,448
Auspice Levies	104,700	24,767
Membership Fees	327	304
Interest Received	2,989	3,624
Rental Income	-	189
Donations	10,602	11,324
Government Stimulus	-	87,732
Sundry Other Income	65,184	49,061
TOTAL INCOME	1,072,142	536,285
EXPENDITURE		
Audit & Accountancy Fees	6,547	2,302
Auspice Fees	104,450	24,767
Advertising & Donations	5,308	645
Annual & Long Service Leave Expense	18,781	50,346
Bank Charges	287	72
Cleaning Expenses	3,962	2,383
Client Support Services	33,423	1,965
Community Activities & Events	82,644	9,427
Computer Expenses	15,155	10,121
Consultancy Expenses	909	391
Consumables	4,759	2,545
Depreciation	11,046	3,666
Donations	2,700	9,600
Electricity	4,891	2,393
Equipment Hire	1,742	743
Fundraising Expenses	0	36
General Expenses	4,751	6,821
Insurance	7,564	320
Meeting & Other Board Expenses	2,667	407
Postage & Stationery	6,224	5,603
Publications & Resources	6,472	9,954
Rent	8,184	4,800
Repairs & Maintenance	1,681	667
Small Plant & Equipment	10,680	1,671
Staff Expenses	11,349	4,650
Superannuation Contributions	50,645	23,431
Telephone & Internet	14,926	4,157
Training & Development	30,680	-
Travel & Accommodation	3,771	-
Volunteer Expenses	1,470	128
Wages	558,226	256,193
Workers Compensation	11,647	10,996
TOTAL EXPENDITURE	1,027,551	451,202
Net Operating Surplus	44,591	85,083

The accompanying notes form part of these financial statements.

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

NOTE 1: BASIS OF PREPARATION

This financial report is a special purpose financial report prepared 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 report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Income Tax

The organisation is exempt from Income Tax under current Legislation.

b. Property, Plant & Equipment (PPE)

Property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

c. Impairment of Assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognized in the income and expenditure statement.

d. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, except for long service leave, which is discounted to balance date.

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Provisions

Provisions are recognized 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. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

g. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognizing revenue.

Interest revenue is recognized using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Grant and donation income is recognized when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST) where applicable.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

i. Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

j. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 3: CASH AND CASH EQUIVALENTS		
BNHC - BCU S11.1	-	5,557
BNHC - BCU S17 iSaver	-	112,433
BNHC - BCU Term Deposit	-	163,179
UNC - BCU S7.1	-	55,950
Neighbourhood Centres of Bellingen Shire	677,144	176,575
Debit Mastercard	3,283	538
BNHC - Petty Cash	49	95
BSYS - Petty Cash	30	30
DYC - Petty Cash	40	100
UNC - Petty Cash	98	99
UNC - Petty Cash (FNSW)	-	59
UNC - Petty Cash (Men's Shed)	227	27
	<u>680,871</u>	<u>514,642</u>

NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INC

STATEMENT BY MEMBERS OF THE COMMITTEE

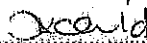
The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report as set out:


1. Presents fairly the financial position of Neighbourhood Centres of Bellingen Shire Incorporated as at 30 June 2021 and its performance for the period ended on that date in accordance with the accounting policies outlined in Note 1.
2. At the date of this statement, there are reasonable grounds to believe that Neighbourhood Centres of Bellingen Shire Incorporated 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



Treasurer



Dated

25/8/21



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEIGHBOURHOOD CENTRES OF BELLINGEN SHIRE INCORPORATED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Neighbourhood Centres of Bellingen Shire Incorporated ('the association'), which comprises the statement of financial position as at 30 June 2021, statement of comprehensive income for the period then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

In our opinion the financial report is in accordance with the *Associations Incorporation Act 2009*, including:

- a) presenting fairly the financial position of Neighbourhood Centres of Bellingen Shire Incorporated as at 30 June 2021, and its financial performance for the period then ended;
- b) complying with the accounting policies as described in Note 1 to the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Association in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the members of the committee in fulfilling their governance obligations. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by any other parties. Our opinion is not modified in respect of this matter.

Committee's Responsibility for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Associations Incorporation Act 2009*, and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

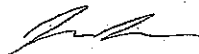
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HQB Accountants Auditors Advisors



James Davis
Partner

13-15 Park Avenue
Coffs Harbour
Dated:

26 August 2021