

DNC Annual Report

Daylesford Neighbourhood Centre Inc.
ABN 91 523 232 008
For the year ended 31 December 2022

Prepared by Sky Accountants - Ballarat

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Profit and Loss

Daylesford Neighbourhood Centre Inc. For the year ended 31 December 2022

	DEC-22	DEC-21
Income		
ACFE - Unaquitted Funding (2017)	-	(10,496)
Course Fees & Funding	30,858	42,821
Donations Received	368	250
Grants	157,574	145,184
Hub	5,849	3,462
Management Fees	29,992	29,393
Rental Income / Hire of Space	68,738	64,227
Total Income	293,379	274,841
Gross Profit	293,379	274,841
Other Income		
Other Income	4,917	59,408
Total Other Income	4,917	59,408
Operating Expenses		
Advertising - Staff	295	-
Advertising & Promotion	1,967	930
Bad Debts	-	1,908
Bank Charges	747	454
Centre Amenities	1,489	1,896
Cleaning	15,865	14,323
Course Expenses	22,778	24,607
DNC Admin Expense (ARC)	3,600	4,933
Employment Expenses	149,819	136,342
Fees & Permits	-	200
Grant Expenses	16,947	13,113
Insurance	1,952	2,179
IT, Telephone & Internet	19,367	29,293
Memberships & Subscriptions	2,853	3,376
Occupancy Expenses	14,283	13,379
Printing & Stationery	3,249	3,387
Professional Fees	37,875	33,900
Repairs & Maintenance	17,939	8,976
Staff Training & Welfare	4,106	2,684
Travel & Accommodation	-	55
Workcover	1,572	872
Total Operating Expenses	316,703	296,807
Operating Profit	(18,407)	37,442
Non-operating Expenses		

	DEC-22	DEC-21
Depreciation	2,051	1,339
Provision for Employee Entitlements	3,118	4,959
Total Non-operating Expenses	5,169	6,298
Net Profit	(23,576)	31,143

Balance Sheet

Daylesford Neighbourhood Centre Inc. As at 31 December 2022

31 DEC 2022 31 DEC 2021

Assets

Current Assets

Cash in Bank

BEN (0464) - Capital Reserve Account	131,121	168,304
CBA (0160) - Working Capital Account	10,589	14,738
CBA (4366) - Sinking Fund Account	2,001	5,001
CBA (6176) - Card Account	349	1,227
Total Cash in Bank	144,060	189,269

Cash on Hand

DNC Float	50	50
Petty Cash	100	100
Total Cash on Hand	150	150

Trade & Other Receivables

Trade Debtors	16,647	8,208
Total Trade & Other Receivables	16,647	8,208

Prepayments - Expenses

	3,659	3,562
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Total Current Assets **164,515** **201,190**

Non-Current Assets

Plant and Equipment

Plant & Equipment	34,522	24,168
Plant & Equipment - Less Acc' Depreciation	(13,242)	(11,192)
Total Plant and Equipment	21,280	12,976

Total Non-Current Assets **21,280** **12,976**

Total Assets **185,795** **214,166**

Liabilities

Current Liabilities

ATO Integrated Client Account	(6,323)	-
Prepaid Income	4,414	4,310

Trade & Other Payables

GST	(1,540)	(2,673)
Superannuation Payable	2,286	663
Trade Creditors	8,388	12,838
Total Trade & Other Payables	9,134	10,828

Total Current Liabilities **7,225** **15,139**

Non-Current Liabilities

Employee Entitlements

	31 DEC 2022	31 DEC 2021
Provision for Annual Leave	16,287	13,168
Total Employee Entitlements	16,287	13,168
Total Non-Current Liabilities	16,287	13,168
Total Liabilities	23,512	28,307
Net Assets	162,283	185,859
Equity		
Retained Earnings		
Current Year Earnings	(23,576)	31,143
Retained Earnings	185,859	154,716
Total Retained Earnings	162,283	185,859
Total Equity	162,283	185,859

Statement of Cash Flows - Direct Method

Daylesford Neighbourhood Centre Inc.
For the year ended 31 December 2022

	2022	2021
Operating Activities		
Receipts from customers	292,162	300,944
Payments to suppliers and employees	(320,549)	(302,841)
Cash receipts from other operating activities	(24,658)	45,595
Cash payments from other operating activities	18,189	4,331
Net Cash Flows from Operating Activities	(34,855)	48,029
Investing Activities		
Payment for property, plant and equipment	(10,354)	(10,770)
Net Cash Flows from Investing Activities	(10,354)	(10,770)
Net Cash Flows	(45,209)	37,259
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	189,419	152,160
Net change in cash for period	(45,209)	37,259
Cash and cash equivalents at end of period	144,210	189,419

Notes to the Financial Statements

Daylesford Neighbourhood Centre Inc. For the year ended 31 December 2022

Summary of Significant Accounting Policies

The accounting policies adopted by the Association are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied except as otherwise indicated.

Reporting Entity

The association is not a reporting entity because in the Committee's opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs, and these accounts are therefore "special purpose accounts" that have been prepared solely to meet the requirements of the Constitution and the Association Incorporation Reform Act (2012).

Accounting Policies

The financial report has been prepared under the historical cost conventions and does not take into account changing money values except to the extent that they are reflected in the revaluation of certain assets.

In order for the financial report to present fairly the state of affairs of the Association and the results of the Association for the year, Australian Standards have been adopted to the extent disclosed in this note.

Depreciation of Property, Plant and Equipment

Items of property, plant and equipment are depreciated over their estimated useful lives using the straight line method.

Income Tax

The Association is not subject to income tax.

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Statement by the Management Committee

Daylesford Neighbourhood Centre Inc.
For the year ended 31 December 2022

In our opinion:


1. The accompanying financial report being a special purpose financial statement is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2022 and the results of the Association for the year ended on that date.
2. The accounts of the Association have been properly prepared and are in accordance with the books of account of the Association.
3. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed at:

Daylesford


Chair

Print Name: Hal Swerissen

Signature: 

Date: 31/03/2023

Secretary

Signature: 

Print Name: Dudley McArdle

Date: 31/03/2023

INDEPENDENT AUDITOR'S REPORT

To the members of Daylesford Neighbourhood Centre Inc Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Daylesford Neighbourhood Centre Inc., which comprises the Profit and Loss, Balance Sheet, Statement of Cashflows, Notes to the Accounts and Statement by the Association Management Committee for the year ended 31 December 2022.

In my opinion, the financial report of the Daylesford Neighbourhood Centre Inc gives a true and fair view of the financial position of the Daylesford Neighbourhood Centre Inc as at 31st December, 2022 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the entity in accordance with the *Associations Incorporation Reform Act 2012 (Vic)*, the *Australian Charities and Not-for-Profits Commission Act 2012* and the 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee of Management' financial reporting responsibilities under the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Responsibility of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee of Management are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Committee of Management is responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

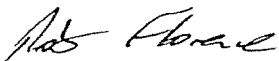
My objective is to obtain reasonable assurance about whether the financial report, as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audits conducted in accordance with the 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the entities' 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- 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.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Rob Florence, FCPA

Florence Audit & Assurance
97 Mair Street East
BALLARAT VIC 3350

Dated: 31st March, 2023

