

# DNC Annual Report

Daylesford Neighbourhood Centre Inc.  
For the year ended 31 December 2023

Prepared by Sky Accountants - Ballarat

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# Profit and Loss

## Daylesford Neighbourhood Centre Inc. For the year ended 31 December 2023

	DEC-23	DEC-22
<b>Income</b>		
Course Fees & Funding	34,148	30,858
Grants	161,752	157,574
Hub	3,094	5,849
Management Fees	30,146	29,992
Rental Income / Hire of Space	57,182	68,738
<b>Total Income</b>	<b>286,322</b>	<b>293,011</b>
<b>Gross Profit</b>	<b>286,322</b>	<b>293,011</b>
<b>Other Income</b>		
Donations	2,000	368
Other Income	4,770	4,917
<b>Total Other Income</b>	<b>6,770</b>	<b>5,285</b>
<b>Operating Expenses</b>		
Advertising - Staff	-	295
Advertising & Promotion	1,793	1,967
Bad Debts	923	-
Bank Charges	738	747
Centre Amenities	972	1,489
Cleaning	16,369	15,865
Course Expenses	18,404	22,778
DNC Admin Expense (ARC)	3,600	3,600
Employment Expenses	159,148	149,819
Grant Expenses	11,912	16,947
Insurance	1,965	1,952
Interest Paid	-	-
IT, Telephone & Internet	8,779	19,367
Memberships & Subscriptions	3,607	2,853
Occupancy Expenses	14,194	14,283
Printing & Stationery	3,329	3,249
Professional Fees	35,289	37,875
Repairs & Maintenance	9,600	17,939
Staff Training & Welfare	3,361	4,106
Workcover	1,973	1,572
<b>Total Operating Expenses</b>	<b>295,956</b>	<b>316,703</b>
<b>Operating Profit</b>	<b>(2,865)</b>	<b>(18,407)</b>
<b>Non-operating Expenses</b>		
Depreciation	3,397	2,051

	DEC-23	DEC-22
Provision for Employee Entitlements	(4,303)	3,118
Total Non-operating Expenses	(906)	5,169
<b>Net Profit</b>	<b>(1,959)</b>	<b>(23,576)</b>

# Balance Sheet

Daylesford Neighbourhood Centre Inc.

As at 31 December 2023

31 DEC 2023 31 DEC 2022

## Assets

### Current Assets

#### Cash and Cash Equivalent

##### Cash in Bank

BEN (0464) - Capital Reserve Account	46,885	131,121
BEN (3079) - Term Deposit Account	50,000	-
BEN (9627) - Term Deposit Account	50,000	-
BEN (1545) - Card Account	1,022	-
CBA (0160) - Working Capital Account	-	10,589
CBA (4366) - Sinking Fund Account	-	2,001
CBA (6176) - Card Account	-	349
<b>Total Cash in Bank</b>	<b>147,907</b>	<b>144,060</b>

##### Cash on Hand

DNC Float	50	50
Petty Cash	100	100
<b>Total Cash on Hand</b>	<b>150</b>	<b>150</b>

#### Total Cash and Cash Equivalent

148,057 144,210

### Trade & Other Receivables

Trade Debtors	5,536	16,647
<b>Total Trade &amp; Other Receivables</b>	<b>5,536</b>	<b>16,647</b>

### Prepayments - Expenses

3,962 3,659

### Undeposited Funds

60 -

#### Total Current Assets

157,616 164,515

### Non-Current Assets

#### Plant and Equipment

Plant & Equipment	44,454	34,522
Plant & Equipment - Less Acc' Depreciation	(16,639)	(13,242)
<b>Total Plant and Equipment</b>	<b>27,815</b>	<b>21,280</b>

#### Total Non-Current Assets

27,815 21,280

#### Total Assets

185,430 185,795

## Liabilities

### Current Liabilities

Accrued Expenses	4,991	-
ATO Integrated Client Account	-	(6,323)
Prepaid Income	2,157	4,414

### Trade & Other Payables

GST	(2,651)	(1,540)
Superannuation Payable	1,263	2,286

	31 DEC 2023	31 DEC 2022
Trade Creditors	7,362	8,388
<b>Total Trade &amp; Other Payables</b>	<b>5,974</b>	<b>9,134</b>
<b>Total Current Liabilities</b>	<b>13,123</b>	<b>7,225</b>
<b>Non-Current Liabilities</b>		
<b>Employee Entitlements</b>		
Provision for Annual Leave	11,984	16,287
<b>Total Employee Entitlements</b>	<b>11,984</b>	<b>16,287</b>
<b>Total Non-Current Liabilities</b>	<b>11,984</b>	<b>16,287</b>
<b>Total Liabilities</b>	<b>25,107</b>	<b>23,512</b>
<b>Net Assets</b>	<b>160,324</b>	<b>162,283</b>
<b>Equity</b>		
<b>Retained Earnings</b>		
Current Year Earnings	(1,959)	(23,576)
Retained Earnings	162,283	185,859
<b>Total Retained Earnings</b>	<b>160,324</b>	<b>162,283</b>
<b>Total Equity</b>	<b>160,324</b>	<b>162,283</b>

## Statement of Cash Flows - Direct Method

Daylesford Neighbourhood Centre Inc.  
For the year ended 31 December 2023

	2023	2022
<b>Operating Activities</b>		
Receipts from customers	315,434	292,162
Payments to suppliers and employees	(287,169)	(320,549)
Interest received	1,170	17
Cash receipts from other operating activities	(24,966)	(24,674)
Cash payments from other operating activities	9,311	18,189
<b>Net Cash Flows from Operating Activities</b>	<b>13,779</b>	<b>(34,855)</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(9,932)	(10,354)
<b>Net Cash Flows from Investing Activities</b>	<b>(9,932)</b>	<b>(10,354)</b>
<b>Net Cash Flows</b>	<b>3,847</b>	<b>(45,209)</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	144,210	189,419
Net change in cash for period	3,847	(45,209)
Cash and cash equivalents at end of period	148,057	144,210

# Notes to the Financial Statements

## Daylesford Neighbourhood Centre Inc. For the year ended 31 December 2023

### 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 2023


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 2023 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:

Chair

Daylesford

Signature:   
Print Name: ~~Hal Swire~~ GINA LYONS  
Date: 24th April 2024

Secretary

Signature:   
Print Name: Dudley McArdle  
Date: 24th April 2024

DUDLEY McARDLE

# 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 2023.

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 31<sup>st</sup> December, 2023 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: 24th April, 2024