

BALLARAT NEIGHBOURHOOD CENTRE

79 868 780 589

FINANCIAL STATEMENTS
for the year ended
31 December 2019

ORIGINAL

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

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BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Committee's report

For the year ended 31 December 2019

Your committee members submit the financial report of BALLARAT NEIGHBOURHOOD CENTRE for the financial year ended 31 December 2019.

Committee members

The names of the committee members throughout the year and at the date of this report are:

Allan Jubber
John Horley
Lisa Buckland (Secretary)
Glen Crompton
Jane Searle
Bradley Smith
Jane Jens (Treasurer)
Emily Brumby

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$6,199.

Signed in accordance with a resolution of the members of the committee:



Lisa Buckland (Secretary)



Jane Jens (Treasurer)

Dated

30/3/2020.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Income statement

For the year ended 31 December 2019

	2019 \$	2018 \$
Income		
Community Activities	55,852	60,126
Facilities Hire	35,800	34,027
Grants Received	920,501	705,784
Insurance Recoveries	4	124
Interest Received	321	36
Miscellaneous Income	1,955	2,615
Professional Services	77,863	35,025
Student Fees	11,129	13,227
	1,103,426	850,964
Expenses		
Administration Expenses	15,870	14,855
Advertising - BECH	3,816	-
Advertising & Promotion	27,945	29,405
Annual Leave Expense	12,417	2,377
Assets Purchased <\$5000	14,405	13,088
Audit Fees	1,200	1,100
Bad Debts	-	20
Bank Charges	1,354	1,025
Cleaning	6,936	10,674
Client Support Service	42,350	18,412
COM Governance Expenses	852	204
Computer Expenses- BECH	2,303	-
Computer Maintenance and Software	6,058	5,612
Conference/Meeting- BECH	1,899	-
Depreciation	518	9,280
EBNC- expenses paid by BNC	11,944	-
Education Contractor	57,772	50,402
Electricity & Gas	3,124	3,069
Entertainment	2,568	938
Hire of Copier	4,725	3,509
Insurance	1,154	1,338
Kitchen Supplies	4,241	-
Labour Hire- Kitchenhand	11,057	-
Legal Costs	4,026	-
Long Service Leave Expense	11,999	16,666
Management Fees	46,555	15,152
Meeting Expenses	2,234	4,182
Memberships - BECH	110	-
Postage	599	461
Printing & Stationery	6,773	11,300
Recruitment Expenses	17,825	1,864
Rent	28,451	27,947
Repairs & Maintenance	1,687	1,040

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Income statement

For the year ended 31 December 2019

	2019	2018
	\$	\$
Salaries	563,058	481,969
Social Enterprise client/student costs	24,234	17,554
Staff Amenities	3,412	19,759
Staff Training	11,027	1,993
Subscriptions & Memberships	4,727	4,358
Sundry and Other Expenses	140	365
Superannuation	54,081	44,789
Telephone - BECH	929	-
Telephone & Internet	9,630	8,113
Travelling Expenses	1,951	3,400
Wages EBNC - Kate Owen	60,000	-
Workcover	9,271	6,967
	<u>1,097,227</u>	<u>833,185</u>
Net profit	6,199	17,779
Retained earnings at the beginning of the financial year	123,439	105,660
Retained earnings at the end of the financial year	<u>129,638</u>	<u>123,439</u>

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The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Balance sheet

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	3	305,158	324,805
Trade and other receivables	4	8,422	24,733
Total current assets		<u>313,579</u>	<u>349,538</u>
Non-current assets			
Property, plant and equipment	5	526	1,044
Total non-current assets		<u>526</u>	<u>1,044</u>
Total assets		<u>314,105</u>	<u>350,582</u>
Current liabilities			
Trade and other payables	6	102,672	167,372
Provisions	7	81,795	59,771
Total current liabilities		<u>184,467</u>	<u>227,143</u>
Total liabilities		<u>184,467</u>	<u>227,143</u>
Net assets		<u>129,638</u>	<u>123,439</u>
Members' funds			
Retained earnings		129,638	123,439
Total members' funds		<u>129,638</u>	<u>123,439</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Notes to the financial statements

For the year ended 31 December 2019

The financial statements cover BALLARAT NEIGHBOURHOOD CENTRE as an individual entity. BALLARAT NEIGHBOURHOOD CENTRE is a not-for-profit association incorporated in Victoria under the Associations Incorporation Reform Act 2012 ('the Act').

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

In the opinion of the Committee of Management, the association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Summary of significant accounting policies

These notes should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

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Notes to the financial statements

For the year ended 31 December 2019

Income tax

The association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Property, plant and equipment

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

Property, plant and equipment is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

These notes should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Notes to the financial statements

For the year ended 31 December 2019

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 that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Provisions

Provisions are recognised 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.

These notes should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Notes to the financial statements

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
3 Cash and cash equivalents			
NAB - Cheque Account		-	62,592
ANZ - Cheque Account		66,021	117,189
CBA - Cheque Account		138,809	144,924
ANZ Term Deposit		100,315	-
Petty Cash		13	100
		<u>305,158</u>	<u>324,805</u>
4 Trade and other receivables			
Current			
Trade Debtors		8,422	24,733
		<u>8,422</u>	<u>24,733</u>
5 Property, plant and equipment			
Plant and equipment			
Plant & Equipment - at Cost		20,555	6,150
Less Prov'n for Depreciation		(20,029)	(5,106)
		<u>526</u>	<u>1,044</u>
		<u>526</u>	<u>1,044</u>
6 Trade and other payables			
Current			
Coles Mastercard		-	609
Trade Creditors		55,911	10,930
GST Liability		5,805	9,850
PAYG Liability		7,626	15,438
Superannuation Payable		33,007	18,359
East Ballarat NC		323	-
Funding Rec'd in Advance		-	112,186
		<u>102,672</u>	<u>167,372</u>

These notes should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Notes to the financial statements

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
7 Provisions			
Current			
Provision for Holiday Pay		41,738	29,321
Prov'n for Long Service Leave		40,057	30,451
		<u>81,795</u>	<u>59,771</u>

8 Retained earnings

Retained earnings at the beginning of the financial year	123,439	105,660
Net profit	6,199	17,779
	<u>129,638</u>	<u>123,439</u>

9 Events occurring after the reporting date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.

10 Statutory information

The registered office and principal place of business of the association is:

BALLARAT NEIGHBOURHOOD CENTRE
11 Tuppen Dr, Sebastopol VIC 3356

These notes should be read in conjunction with the attached compilation report of Richard Start Accountants.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Statement by members of committee

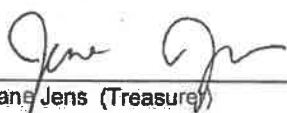
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report:

1. Presents fairly the financial position of BALLARAT NEIGHBOURHOOD CENTRE as at 31 December 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that BALLARAT NEIGHBOURHOOD CENTRE 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:



Lisa Buckland (Secretary)

Jane Jens (Treasurer)

Dated

30/3/2020.

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BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Independent audit report to the members of association, BALLARAT NEIGHBOURHOOD CENTRE

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report, being a special purpose financial report, of BALLARAT NEIGHBOURHOOD CENTRE (the association), which comprises the balance sheet as at 31 December 2019, the income statement, and notes to the financial statements, including a summary of significant accounting policies and the statement by members of the committee.

In my opinion, the accompanying financial report of the association for the year ended 31 December 2019 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis of 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 association in accordance with the auditor independence requirements of 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

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the association in fulfilling their compliance obligations. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the association and should not be distributed to or used by parties other than the association. My opinion is not modified in respect of this matter.

Responsibility of management and those charged with governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

BALLARAT NEIGHBOURHOOD CENTRE

ABN: 79 868 780 589

Independent audit report to the members of association, BALLARAT NEIGHBOURHOOD CENTRE

Auditor's responsibilities for the audit of the financial report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 this financial report.

Marcus Darmody

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BALLARAT NEIGHBOURHOOD CENTRE

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Certificate by members of committee

Annual statements give true and fair view of the financial position of incorporated association.

We, being the members of the Committee of the BALLARAT NEIGHBOURHOOD CENTRE, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of BALLARAT NEIGHBOURHOOD CENTRE during and at the end of the financial year of the association ending on 31 December 2019.



Lisa Buckland (Secretary)



Jane Jens (Treasurer)

Dated 30/3/2020

ORIGINAL

25th March 2020.

Richard Start
Certified Practising Accountant
9 Creswick Road
BALLARAT VIC 3350

Dear Richard,

This representation letter is provided in connection with your audit of the financial report of Ballarat Neighbourhood Centre for the year ended 31st December 2018, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards.

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

Financial report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation of the financial report in accordance with Australian accounting standards and the Constitution; in particular the financial report is fairly presented (or gives a true and fair view) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian accounting standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information provided

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
- all requested information, explanations and assistance for the purposes of the audit.
- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- minutes of all meetings of directors, and committees of directors.

General

- We have made available to you:
 - a. all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit and
 - b. minutes of all meetings of directors, and committees of directors.
- There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.
- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- We confirm the appropriateness of the measurement of accounting estimates, including related assumptions, used in the preparation of the financial report and the consistency in application of the processes.
- The following have been properly recorded or disclosed in the financial report:
 - a. arrangements involving restrictions on cash balances, compensating balances, and line-of-credit or similar arrangements and
 - b. agreements to repurchase assets previously sold.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
- We confirm the reasonableness of significant assumptions, including whether they appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the fair value measurement or disclosures.

Laws and regulations

- Other than as disclosed to you, there have been no:
 - a. irregularities involving management or employees who have significant roles in the system of internal control structure
 - b. irregularities involving other employees, that could have a material effect on the financial report
 - c. communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements or
 - d. known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered in preparing the financial report.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

Fraud

- We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and error and confirm we have disclosed to you:
 - a. the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
 - b. all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - i. management
 - ii. employees who have significant roles in internal controls or
 - iii. others where the fraud could have a material effect in the financial report and
 - c. all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

- d. the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Internal control

- We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Uncorrected misstatements

- We acknowledge that:
 - a. uncorrected misstatements have been brought to our attention by the auditor
 - b. we have considered the effect of any uncorrected misstatements, aggregated during and pertaining to the latest period, on the financial report and consider the misstatements are immaterial individually and in aggregate to the financial report taken as a whole and
 - c. we understand that you do not have any unadjusted audit differences that are not clearly insignificant arising from this audit.

Related party transactions

- We confirm the completeness of the information provided regarding the identification of related party relationships and transactions and the adequacy of related party disclosures in the financial report.

Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

Subsequent events

- No events, other than those disclosed in the financial report, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

Going concern

- Nothing has come to our attention that would indicate that Golden City Paddle Steamer Society will not be able to continue as a going concern.

Contingencies

- We are not aware of any pending litigation involving this association, other than the matters disclosed in the financial report.
- All contingent liabilities have been provided for or noted in the financial report.

Impairment of assets

- We have considered the requirements of AASB 136: *Impairment of Assets* when assessing the carrying values of assets and in ensuring that no assets within the scope of AASB 136 are stated in excess of their recoverable amount.

Financial instruments

- Any financial instruments derecognised in the year have met the derecognition criteria of AASB 139 *Financial instruments: recognition and measurement*.
- All instruments recorded as equity instruments meet the definition of equity in AASB 132 *Financial instruments: presentation*.

Receivables

- Adequate allowance has been made for adjustments and losses in relation to receivables.
- Provision has been made for any material loss to be sustained in the fulfilment of, or from inability to fulfil, any sale commitments.

Liabilities

- No asset of the association has been pledged as security for any liability, except as disclosed in the financial report.
- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

Covenants

- We have complied with all covenants in contractual agreements that could have a material effect on the financial report in the event of non-compliance.

Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.
- The association has no 'make good' obligations in respect of its property, plant and equipment for which it would be required to make a restorative provision under AASB 137 *Provisions, contingent liabilities and contingent assets* which have not been included in the financial report.

Electronic presentation of financial report

- With respect to publication of the financial report on our website, we acknowledge that:
 - a. we are responsible for the electronic presentation of the financial report
 - b. we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version
 - c. we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation
 - d. we have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information presented and
 - e. we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,

Jane Jens





Building Relationships with Smart Business

**Business Advisers &
Tax Agents**

Director: Richard Start



P.O. Box 776,
Ballarat, Vic 3353

9 Creswick Road
Ballarat, Vic. 3350

Telephone: (03) 5338 7455

Fax: (03) 5338 8177

Email: richard.start@startaccountants.com.au

www.rstartaccountants.com.au

25th March 2020

The Treasurer
Ballarat Neighbourhood Centre
PO BOX 540W
BALLARAT VIC 3350

Dear Treasurer,

Notes on Audit Report

The following information has been identified in the audit of Ballarat Neighbourhood Centre for your attention.

- It is recommended that the MYOB balance sheet matches the financials.
- It is recommended that you close off the year once completed so there can be no changes in the previous year.

Overall these matters have little impact on the outcome of the Audit, and have not affected the overall operations of the club.

Yours faithfully

Richard Start
Richard Start Accountants

25th March 2020

Treasurer
BALLARAT NEIGHBOURHOOD CENTRE
11 TUPPEN DRIVE
SEBASTOPOL VIC 3356

Dear Treasurer,

ENGAGEMENT AS AUDITORS UNDER AUSTRALIAN AUDITING STANDARDS

You have requested that we audit the financial report of Ballarat Neighbourhood Centre for the year ended 31st December 2020. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the Australian auditing standards, if applicable, with the objective of expressing an opinion on the financial report.

The responsibilities of the auditor

We will conduct our audit in accordance with Australian Auditing Standards. Those standards we require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

Reporting to members

The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the audit focus and the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include its focus on the higher risk areas, the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit can only provide reasonable, not absolute, assurance that the financial report is free from material misstatement.

Our audit procedures are designed to gather sufficient appropriate audit evidence to form an opinion on the financial report and its compliance with Australian accounting standards, if applicable. We assume no responsibility to design and perform audit procedures aimed at the identification of matters that are not material to our primary audit objective.

Our audit is not designed to be a complete examination of all aspects of your accounting system. Accordingly, any matters that are reported to you verbally or in writing should not be regarded as all-inclusive.

Other financial information in reports

We read the financial information contained in the documents or statements that are issued with any of the financial reports, including the members' reports, to identify material inconsistencies with the financial reports. However, we will not verify such other information.

Responsibilities of those charged with governance

It is the duty of those charged with governance of the entity to prepare and disclose to us the entity's financial report and accounting records, and the accounting practices, policies and procedures used in such preparation.

It is also the responsibility of those charged with governance to maintain adequate accounting records, to ensure that proper internal controls are in place, to ensure the accuracy of all financial records, and to maintain and safeguard the entity's assets to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The entity agrees to ensure that all information and documents relating to the entity's financial report, accounting records, policies and procedures including information about the entity's internal controls and assets are disclosed to us, as and when requested and that we have unrestricted access to persons within the association from whom we determine it necessary to obtain audit evidence.

Such internal controls reduce but do not eliminate the risk of misstatements in the financial report from fraud or error. Those charged with governance assume responsibility for such risk. While the conduct of an audit may act as a deterrent against fraud or error, we cannot be held responsible for preventing them.

We expect those charged with governance to advise us of any material and/or contentious issues relating to preparation of the financial report.

Those charged with governance are required to disclose to us any known or suspected frauds which have occurred with the association.

Those charged with governance are responsible for adjusting the financial report to correct identified material misstatements. At the conclusion of each financial reporting engagement we provide those charged with governance with a summary of any uncorrected misstatements we identify and request to confirm in writing that the effects of any uncorrected misstatements are immaterial, both individually and in aggregate, to the financial reports taken as a whole.

We look forward to full co-operation with your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit.

Representations from those charged with governance

As part of our audit process, we will request from those charged with governance written confirmation concerning oral representations made to us by Ballarat Neighbourhood Centre in connection with the audit and that Ballarat Neighbourhood Centre Victoria acknowledges that such representations would be relied upon by us during the audit.

Independence

We have established policies and procedures designed to ensure our independence, including policies on the provision of non-audit work.

Other services

We are pleased to provide any additional services that may be required from time to time, provided such services do not impair our independence. We note that this engagement letter applies only to the work described in this letter. Should further work be required over and above such work, separate terms of engagement will need to be agreed. In particular, this letter does not deal with accounting advice or assistance with accounts preparation.

Health and safety

We are required to comply with the provision of the *Occupational Health and Safety Act 2004* by taking all practical steps to ensure the health and safety of our people. Our firm's policy expects mutual responsibility for our people to ensure their own safety and that no harm is caused to others in the workplace, but the Act places responsibility for their safety on your association when they are visitors to your site.

Publishing of the auditor's report

If the association intends to publish, present or reproduce, in printed form or electronically, our audit report together with the financial statements, or otherwise make reference to our firm in a document that contains other information, the members agree to provide us with a draft of such document to read and obtain our written approval for inclusion of our report before the document is finalised and distributed. Where our report is reproduced in any medium the complete financial statements, including notes, must also be presented.

Responsibility for the electronic presentation of the financial report on the Ballarat Neighbourhood Centre website is that of those charged with governance of the Ballarat Neighbourhood Centre. The security and controls over information on the website should be addressed by the Ballarat Neighbourhood Centre to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report(s) on the Ballarat Neighbourhood Centre website is beyond the scope of the audit of the financial report.

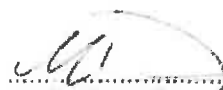
General matters

The terms of this letter apply to all work carried out by us in connection with this engagement prior to the date of the members signing this letter.

This letter will be effective for future years unless we advise you of its amendment or replacement or the engagement is terminated.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial report, including our respective responsibilities.

Yours sincerely



Marcus Darmody

Certified Practising Accountant

10251111

Partner

We hereby acknowledge that this letter is in accordance with our understanding of the arrangements for the audit of Ballarat Neighbourhood Centre financial report.

Signed for and on behalf of the members by:

Signature: Jane Jens
Name: Jane Jens
Title: Accountant
Date: 29/03/20

Certificate of Currency



This Certificate of Currency is a summary of cover provided under the policy, current as at the date of issue. The certificate is provided for information purposes and does not amend, extend or alter the cover provided by the policy. For full particulars, reference must be made to the current policy wording.

Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Public & Products Liability

Policy Number: CSO-PL-2019

Business: All authorised activities of Community Service Organisations originating within Victoria (irrespective of how the activities may be funded)

Interest Insured: Legal liability to third parties for Personal Injury or Property Damage or Advertising Liability happening during the Period of Insurance and arising out of an Occurrence in connection with the Business of the Named Insured

Limit of Liability: Public Liability - \$20,000,000 any one occurrence
Product Liability - \$20,000,000 any one occurrence and in the annual aggregate any one Period of Insurance

Territorial Limit: Anywhere in Australia but only in respect of activities connected with the Business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed by VMIA

For and on behalf of
Victorian Managed Insurance Authority

A handwritten signature in black ink, appearing to be 'AD' followed by a long horizontal stroke.

Andrew Davies
Chief Insurance Officer

31 May 2019

Certificate of Currency



This Certificate of Currency is a summary of cover provided under the policy, current as at the date of issue. The certificate is provided for information purposes and does not amend, extend or alter the cover provided by the policy. For full particulars, reference must be made to the current policy wording.

Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Professional Indemnity

Policy Number: CSO-PI-2019

Business: All authorised activities of Community Service Organisations originating within Victoria (irrespective of how the activities may be funded)

Interest Insured: Legal liability of the Named Insured to pay compensation in respect of third party claims first made against the Named Insured during the Period of Insurance for breach of professional duty arising out of any negligent act, error, misstatement, misleading statement or omission by the Named Insured committed in the course of the Business of the Named Insured

Limit of Liability: \$20,000,000 any one claim and in the aggregate in any one Period of Insurance per organisation, subject to non-accumulation

Retroactive Date: 1 January 1987

Territorial Limit: Anywhere in Australia but only in respect of activities connected with the Business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed by VMIA

For and on behalf of
Victorian Managed Insurance Authority

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Andrew Davies
Chief Insurance Officer

31 May 2019

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Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Directors and Officers Liability incorporating Entity Liability

Policy Number: CSO-DO-2019

Interest Insured:

- a) Indemnifying Directors and Officers against loss arising out of any Claim, by reason of any Wrongful Act committed by them, in their capacity as a Director or Officer, first made against them jointly or severally during the Policy Period and notified to the Insurer during the Policy Period
- b) Indemnifying the funded Organisation as Named Insured against loss arising out of any Claim first made against it and notified to the Insurer by reason of any Wrongful Act committed by an Officer of the Named Insured whilst acting in that capacity

Limit of Liability: \$20,000,000 any one claim and in the aggregate in any one Period of Insurance per organisation, subject to non-accumulation and sub-limits, inclusive of legal costs and expenses

Retroactive Date: 1 January 1992

Territorial Limit: Anywhere in Australia but only in respect of activities connected with the business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed and endorsed in writing by VMIA

For and on behalf of
Victorian Managed Insurance Authority

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Andrew Davies
Chief Insurance Officer

31 May 2019

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Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Entity Fidelity

Policy Number: CSO-EF-2019

Business: All authorised activities of Community Service Organisations originating within Victoria (irrespective of how the activities may be funded)

Interest Insured: To reimburse the Named Insured for loss of money, bullion, negotiable and non-negotiable instruments, goods or other items owned by the Named Insured or in the care, custody and control of the Named Insured and for which the Named Insured is legally liable and which loss directly results from any dishonest or fraudulent act committed by an Employee during the Period of Insurance and is notified to VMIA during the Period of Insurance

Limit of Liability: \$100,000 any one claim and in the aggregate any one Period of Insurance per organisation, subject to non-accumulation

Excess: Nil

Territorial Limit: Anywhere in Australia but only in respect of activities connected with the Business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed by VMIA

Retroactive Date: 30 June 2007

For and on behalf of
Victorian Managed Insurance Authority

A handwritten signature in black ink, appearing to be 'A. Davies', followed by a horizontal line extending to the right.

Andrew Davies
Chief Insurance Officer

31 May 2019

Certificate of Currency



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Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Medical Indemnity

Policy Number: CSO-MI-2019

The Business: All authorised activities of Community Service Organisations originating within Victoria (irrespective of how the activities may be funded)

Interest Insured: Legal liability of the Named Insured to pay compensation in respect of third party claims first made against the Named Insured and which are notified to VMIA during the Period of Insurance for breach of professional duty arising out of the negligent provision of health care services and resulting in bodily or mental injury or death

Please note that the Named Insured shall use its best endeavours to ensure that all consultants and doctors providing medical services for or using the facilities of the Named Insured shall maintain their own insurance against liability for breach of professional duty

Limit of Liability: \$20,000,000 any one claim and in the aggregate in any one Period of Insurance per organisation, subject to non-accumulation

Territorial Limit: Anywhere in Australia but only in respect of activities connected with The Business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed by VMIA

Retroactive Date: 1 January 1992

For and on behalf of
Victorian Managed Insurance Authority

A handwritten signature in black ink, appearing to be 'AD', followed by a horizontal line extending to the right.

Andrew Davies
Chief Insurance Officer

31 May 2019

Certificate of Currency



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Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Personal Accident

Policy Number: CSO-PA-2019

Interest Insured: Category A
Members of Boards and Committees of Management, patrons and voluntary workers (including volunteers of tenants' groups who receive direct Victorian Government funding)

Category B
Work experience participants, individuals involved in job training, work training participants (disabled and able bodied) and job seekers

Scope of Cover: The coverage afforded by this policy shall only apply whilst the Insured Person is engaged in voluntary work and/or activities organised and/or authorised by and under the control of the Named Insured including direct and uninterrupted travel to and from such work and/or activities

Age Limit: Insured Persons aged between 12 and 100 years of age

Sum Insured:	Benefit	Each Insured Person
	Lump Sum Benefits - Death & Capital Benefits	\$250,000 maximum benefit (refer policy wording for full details)
	Weekly Injury Benefits	100% weekly earnings to maximum of \$2,000

Aggregate Limit of Liability: \$5,000,000 in respect of all claims in any one Period of Insurance, except
\$1,000,000 in respect of non-scheduled aircraft or charter flights

Territorial Limit: Australia Wide

For and on behalf of
Victorian Managed Insurance Authority

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Andrew Davies
Chief Insurance Officer

31 May 2019

Certificate of Currency



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Named Insured: State Government of Victoria funded Community Service Organisations

Organisation: Ballarat Neighbourhood Centre Inc

Period of Insurance: From: 01-July-2019 12:00:01 AM Australian Eastern Standard Time
To: 30-June-2020 11:59:59 PM Australian Eastern Standard Time

Type of Policy: Volunteer Care Givers Property Damage (limited circumstances only)

Policy Number: CSO-PPY-2019

Insured Persons: Volunteer home based caregivers

Business: All activities authorised by the Named Insured in providing home based care and other foster care services

Interest Insured: Loss or damage to the property of the Insured Person caused by acts of malicious damage or theft, or accidental damage directly or indirectly caused by any person or persons under the care of the Insured Person during the Period of Insurance, provided that no other insurance policy responds

Limit of Liability: \$1,000,000 in the aggregate in any one Period of Insurance per organisation, subject to non-accumulation

Excess: Nil

Territorial Limit: Anywhere in Australia but only in respect of activities connected with the Business of the Named Insured in Victoria and not in respect of the Insured's interstate operations unless otherwise agreed by VMIA

For and on behalf of
Victorian Managed Insurance Authority

A handwritten signature in black ink, appearing to be "AD", followed by a horizontal line extending to the right.

Andrew Davies
Chief Insurance Officer

31 May 2019