

THE NORTHERN CENTRE INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

THE NORTHERN CENTRE INC.
ABN: 69 200 106 557

COMMITTEE'S REPORT

Your committee members submit the financial report of The Northern Centre Inc. for the financial year ended 30 June 2018.

Committee Members

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

| | |
|-----------------------|------------------|
| Christopher Hellmundt | President |
| Daniel Bofinger | Treasurer |
| Philip Bickerstaff | Vice Chairperson |
| Margaret O'Hearn | Public Officer |
| Anne-Marie Maxwell | Committee Member |
| Serena Cheung | Committee Member |
| Barry Apelbaum | Committee Member |

Principal Activities

The principal activities of the association during the financial year were to provide a range of early intervention and prevention services for vulnerable families, children and young people.

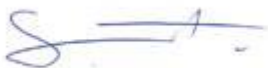
Significant Changes

The entity has renewed the FACS contract for the Early Intervention and Prevention Program for 3 years, commencing 1 July 2017 and terminating 30 June 2020. The entity has also renewed the Mission Australia sub-contract for Northern Sydney Early Intervention and Prevention Program for 3 years, commencing 1 July 2017 and terminating 30 June 2020.

Operating Result

The net deficit for the year amounted to \$7,888 (2017: \$47,100 surplus).

Signed in accordance with a resolution of the Members of the Committee.



Christopher Hellmundt
President



Daniel Bofinger
Treasurer

Dated this 26th day of October 2018

THE NORTHERN CENTRE INC.
ABN: 69 200 106 557

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|------------------|------------|
| INCOME | | | |
| Operating grant – NSW Department of Family and Community Services | | 536,549 | 518,908 |
| Services Revenue - NSDEIPP | | 519,834 | 510,595 |
| Grants – other | | 55,625 | 47,230 |
| Interest | | 1,670 | 2,080 |
| Other income | | 11,382 | 12,804 |
| | | 1,125,060 | 1,091,617 |
| EXPENDITURE | | | |
| Accounting | | 18,851 | 31,695 |
| Administration expenses | | 118,312 | 93,497 |
| Audit | | 4,994 | 4,900 |
| Amortisation & depreciation expense | | 17,760 | 14,293 |
| Client brokerage | | 39,935 | 45,424 |
| Equipment | | 1,266 | 15 |
| Information technology expenses | | - | (145) |
| Insurance | | 4,494 | 8,538 |
| Motor vehicle expenses | | 4,962 | 2,711 |
| Postage, printing & stationery | | 12,489 | 4,085 |
| Rental expense | | 11,990 | 13,800 |
| Staff & client amenities | | 25,318 | 20,939 |
| Subscription & memberships | | 1,337 | 3,097 |
| Superannuation | | 69,392 | 68,370 |
| Telephone | | 15,331 | 18,340 |
| Wages | | 786,517 | 714,957 |
| (Loss)/profit before income tax | | (7,888) | 47,100 |
| Income tax expense | | - | - |
| (Loss)/profit after income tax | | (7,888) | 47,100 |
| RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR | | 193,391 | 146,291 |
| RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR | | 185,503 | 193,391 |

The accompanying notes form part of these financial statements.

THE NORTHERN CENTRE INC.
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------|------|----------------|------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 345,286 | 301,129 |
| Trade and other receivables | 6 | 4,929 | 15,290 |
| TOTAL CURRENT ASSETS | | 350,214 | 316,419 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 43,980 | 53,317 |
| TOTAL NON-CURRENT ASSETS | | 43,980 | 53,317 |
| TOTAL ASSETS | | 394,194 | 369,736 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 110,950 | 85,474 |
| Grants received in advance | 9 | 34,528 | 38,598 |
| Provisions | 10 | 55,235 | 45,574 |
| TOTAL CURRENT LIABILITIES | | 200,713 | 169,646 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 10 | 7,977 | 6,700 |
| TOTAL NON-CURRENT LIABILITIES | | 7,977 | 6,700 |
| TOTAL LIABILITIES | | 208,691 | 176,346 |
| NET ASSETS | | 185,503 | 193,391 |
| MEMBERS' FUNDS | | | |
| Retained profits | | 185,503 | 193,391 |
| TOTAL MEMBERS' FUNDS | | 185,503 | 193,391 |

The accompanying notes form part of these financial statements.

THE NORTHERN CENTRE INC.
ABN: 69 200 106 557

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the Australian Charities and Not for Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. 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 historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Revenue

Revenue is recognised where it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliability measured revenue is measured of the fair value of the consideration received or receivable.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

c. Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

d. Trade and other payables

These amounts represent liabilities for goods and service provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised costs and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

e. Income Tax

The Northern Centre Inc., being a benevolent association, is exempt from income tax under the Division 50 of the Income Tax Assessment Act 1997.

f. Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

THE NORTHERN CENTRE INC.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Leases

Leases of fixed assets where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the association are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Operating Lease Commitments – Suite 6, 3 Anthony Road, West Ryde NSW 2114.

The Northern Centre Inc. has renewed the lease agreement for five years, commencing on September 2017 and terminating in August 2022. The annual rental of \$9,368 plus GST is payable monthly in advance.

h. Investments

Investments are brought to account at cost or at valuation. The carrying amount of investments is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount of the investments.

Interest is brought to account when earned.

i. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

j. Property, Plant and Equipment

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for us.

k. Employee Benefits

Provision is made for the association's liability for annual leave and long service leave arising from services rendered by the employees to the reporting date. Provision for long service leave is accrued only in respect of those employees who have completed five years' service. This is a provision only and actual liability will depend on legal entitlements in each case. Liabilities have not been discounted to their present values.

Contributions are made by the association to employee superannuation funds and are charged as expenses when incurred. The association has no legal obligation to provide superannuation benefits to employees on retirement.

l. New Accounting Standards and Interpretations not yet mandatory or early adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. These are not expected to have a material impact on the Association.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m. Critical Accounting Estimates and Judgements

The association evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

The Committee has not decided to make any estimates and judgements as at 30 June 2018.

THE NORTHERN CENTRE INC.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: CONTINGENT LIABILITIES

There are no contingent liabilities known to the Committee as at 30 June 2018 (2017: nil).

NOTE 3: MEMBER'S LIABILITY

The Northern Centre Inc. is registered as an Incorporated Association and accordingly the members of the association have no liability to contribute towards the payment of debts and liabilities of the association or the costs, charges and expenses of the winding up of the association.

The association has taken out Public Liability Insurance cover for the sum of \$10,000,000.

NOTE 4: AUDIT FEES

| | 2018 | 2017 |
|------------|--------------|-------------|
| | \$ | \$ |
| Audit fees | 4,994 | 4,900 |

NOTE 5: CASH AND CASH EQUIVALENTS

| | | |
|--------------|----------------|---------|
| Cash at bank | 345,286 | 301,129 |
|--------------|----------------|---------|

NOTE 6: TRADE AND OTHER RECEIVABLES

| | | |
|-------------------|--------------|--------|
| Trade receivables | 1,705 | 5,390 |
| Other debtors | 3,224 | 9,900 |
| | 4,929 | 15,290 |

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

| | | |
|-------------------------------|-----------------|----------|
| Plant & equipment | 44,887 | 45,440 |
| Less accumulated depreciation | (32,537) | (26,190) |
| | 12,350 | 19,250 |
| Motor vehicles | 18,392 | 18,392 |
| Less accumulated depreciation | (8,047) | (4,598) |
| | 10,346 | 13,794 |
| Leasehold improvements | 22,569 | 20,905 |
| Less accumulated depreciation | (1,284) | (632) |
| | 21,285 | 20,273 |
| | 43,980 | 53,317 |

THE NORTHERN CENTRE INC.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8: TRADE AND OTHER PAYABLES

| | 2018 | 2017 |
|-----------------|----------------|-------------|
| | \$ | \$ |
| Other creditors | 110,950 | 85,474 |

NOTE 9: Grants received in advance

| | | |
|----------------------------|---------------|--------|
| Grants received in advance | 34,528 | 38,598 |
|----------------------------|---------------|--------|

NOTE 10: Provisions

| | | |
|-------------|---------------|--------|
| Current | 55,235 | 45,574 |
| Non-current | 7,977 | 6,700 |
| | 63,212 | 52,274 |

NOTE 11: ECONOMIC DEPENDENCY

The services that are provided by the entity are dependent upon the grants received from the NSW Department of Family & Community Services and Mission Australia. The grants received in the current financial year totaled \$1,041,568. The entity has renewed the contract for Early Intervention and Placement Prevention Program for 3 years, commencing 1 July 2017 and terminating 30 June 2020. The entity has also renewed the Mission Australia sub-contract for Northern Sydney Early Intervention and Prevention Program for 3 years, commencing 1 July 2017 and terminating 30 June 2020.

THE NORTHERN CENTRE INC.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONT'D)

NOTE 12: Commitments

The association had no commitments for expenditure as at 30 June 2018 and 30 June 2017.

NOTE 13: Key management personnel disclosures

There were no payments made to key management personnel during the current and previous financial year.

NOTE 14: Related party transactions

There were no transactions with related parties during the current and previous financial year.

THE NORTHERN CENTRE INC.
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DECLARATION 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:

1. the financial statements and notes as set out on pages 3 to 10 present a true and fair view of the financial position of The Northern Centre Inc. as at 30 June 2018 and its performance for the year ended on that date.
2. there are reasonable grounds to believe The Northern Centre Inc. will be able to pay its debts as and when they become due and payable.

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

Christopher Hellmundt

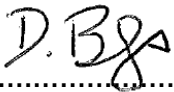
President



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Daniel Bofinger

Treasurer



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Dated this 26th day of October 2018

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT To the Members of The Northern Centre Inc.

Opinion

We have audited the financial report of The Northern Centre Inc., which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of The Northern Centre Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the The Northern Centre Inc. in accordance with 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 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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Northern Centre Inc. to meet the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, members are responsible for assessing The Northern Centre Inc.'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 Northern Centre Inc. or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



C J HUME
Director

RSM Australia

Sydney, 26 October 2018