

**Blackheath Area Neighbourhood
Centre Inc ABN 83 058 109 149**

Financial Statements
For the year ended 30 June 2020

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Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Board Report For the year ended 30 June 2020

Your Board members submit the financial accounts of the Blackheath Area Neighbourhood Centre Inc. ("BANC") for the financial year ended 30 June 2020.

Board Members

The names of Board members at the date of this report are:

Michael Brogan - President
Johneen Hibbert - Vice President
Bronwen Stinson - Secretary
Yuliya Mann - Treasurer
Henry Lebovic
Jennifer Ross
Kathleen Chirgwin
Roger Butterworth
Gary Moore

Principal Activities

The principal activities of the association during the financial year were: support local community projects.

Significant Changes

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

Operating Result

The profit from ordinary activities amounted to

Year ended	Year ended
30 June 2020	30 June 2019
\$	\$
147,469	45,271

During the 2020 financial year the association experienced changes to the provision of client services and internal operations due to the impact of the coronavirus ("COVID-19") pandemic. The impact of COVID-19 is unprecedented and has a profound impact on charities and Not-for-profit organisations both financially and operationally. The first confirmed case in Australia of COVID-19 was identified in January 2020 and resulted in induced lockdown in NSW in March 2020 due to public health orders.

The lockdown and pandemic negatively impacted attendance at vacation care centres during this period which resulted in the Australian Government intervening.

On 30 March 2020, the Government announced The JobKeeper Payment subsidy for eligible businesses. This was paid by the Government to BANC for each eligible employee. No BANC employees were made redundant during the 20FY and service delivery/support was maintained.

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Board Report

For the year ended 30 June 2020

On 2 April 2020, the Government announced new funding arrangements for the early childhood education and care (ECEC) sector in response to the coronavirus (COVID-19) pandemic and its impact on child care enrolments and attendance. The new arrangements made child care services fee-free for families. The changes took effect on 6 April 2020 and remained in place until 12 July 2020. Under the new arrangements the CCS system was suspended and BANC received a weekly Early Childhood Education and Care Relief Package payment.

NDIS services were impacted during this time but where possible client services continued remotely via an online interface, home visits or by telephone.

The association received \$100,000 of Commonwealth Government support by way of Cash Flow Boost incentives including in operating profit. Of this amount \$50,000 (second instalment) is due as receivable as at 30 June 2020.

After Balance Date Events

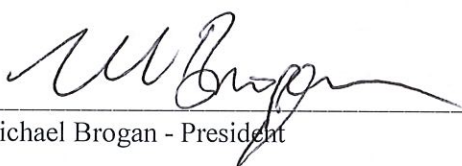
On 21 July 2020, the Government announced the extension of the JobKeeper Payment for a further six months until 28 March 2021 and is targeting support to those businesses and not-for-profits who continue to be significantly impacted by the Coronavirus. BANC is eligible to receive the JobKeeper payment extension from 28 September 2020.

Apart from the matter noted above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not for Profits Commission Act 2012 has been included.

Signed in accordance with a resolution of the Members of the Board on:



Michael Brogan - President



Yuliya Mann - Treasurer

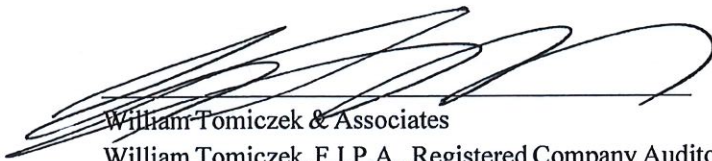
Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Auditor's Independence Declaration

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed on this 16 day of October 2020



William Tomiczek & Associates
William Tomiczek, F.I.P.A., Registered Company Auditor 1425
66 Emu Plains Road, Mount Riverview NSW 2774

The accompanying notes form part of these financial statements.

Blackheath Area Neighbourhood Centre Inc

Profit & Loss [Last Year Analysis]

July 2019 To June 2020

ABN: 83 058 109 149

	This Year	Last Year
INCOME		
Recurrent Grant Income		
Continuity of Support - DOH	\$106,927	\$141,358
BANC - FACS Community Builders	\$196,369	\$190,757
NILS - Grant	\$50,618	\$48,817
NILS Good Shepherd	\$5,000	\$5,000
BOOSH Sustainability Assist	\$0	\$6,923
BOOSH DET Special Needs (ISS)	\$9,460	\$14,292
NSW Dept Edn ECEC -Vac Care	\$5,069	\$5,633
Vacation Care - BMCC	\$12,750	\$17,000
Total Recurrent Grant Income	\$386,194	\$429,780
Non-Recurrent Grant Income		
HACC - KNC Connecting Our Comm	\$26,614	\$26,385
Minor Grants	\$33,407	\$32,903
Total Non-Recurrent Grant Income	\$60,021	\$59,289
Project & Other Income		
Bank Interest	\$3,944	\$0
Contributions & Donations		
Donations	\$4,006	\$5,512
Client Contribution	\$6,480	\$12,318
Client Travel	\$9,050	\$8,182
Office Services	\$49	\$103
Photocopying	\$3,465	\$4,204
Room Use	\$3,261	\$4,553
Tel / Fax / IT	\$12	\$56
General Fundraising	\$0	\$1,045
Total Contributions & Donations	\$26,322	\$35,973
BANC Access Project Income		
National Disability Insurance	\$582,601	\$654,891
NDIA Financial Intermediary	\$172,339	\$132,151
Total BANC Access Project Income	\$754,940	\$787,042
BOOSH Project Income		
BOOSH Family Pays	\$55,883	\$67,171
Boosh Fam Pays - exc/activity	\$3,390	\$8,700
BOOSH CCS Childcare Subsidy	\$59,309	\$68,646
CCS Child Care Relief	\$12,600	\$0
Total BOOSH Project Income	\$131,182	\$144,518
Community Development		
BMCC Hall Booking Contribution	\$2,600	\$2,665
B/heath School For Seniors Act	\$2,038	\$3,136
Total Community Development	\$4,638	\$5,801
General		
JobKeeper Subsidy (No GST)	\$189,000	\$0
Cash Flow Boost ATO	\$100,000	\$0
Miscellaneous Income	\$1,549	\$9,086
Workers Comp Recoveries	\$5,237	\$8,413
Total General	\$295,786	\$17,499
Total Project & Other Income	\$1,216,813	\$990,832
Internal Administration Fees		
Project Admin Fee	\$0	\$102,896
Total INCOME	\$1,663,027	\$1,582,796

This report includes Year-End Adjustments.

Profit & Loss [Last Year Analysis]

July 2019 To June 2020

ABN: 83 058 109 149

	This Year	Last Year
Total COST OF SALES	\$0	\$0
Gross Profit	\$1,663,027	\$1,582,796
EXPENSES		
Administration		
Admin & Premises	\$5,360	\$7,374
Advertising	\$2,819	\$2,358
Audit Fee	\$6,000	\$0
Audit - Other	\$5,198	\$5,000
Bad Debts	\$3	\$0
Bank Fees & Charges	\$472	\$0
Cleaning/Hygiene and Safety	\$2,580	\$20
Computer S/Ware Licencing etc.	\$11,252	\$10,122
Depreciation	\$2,673	\$4,425
Donations	\$0	\$227
IT - Support	\$9,281	\$8,562
Management Committee	\$655	\$196
Memberships & Subs	\$3,307	\$1,600
Office Supplies	\$5,572	\$6,006
Equipment <\$1000	\$3,496	\$3,886
Photocopier	\$13,299	\$9,747
Printing	\$2,552	\$527
Postage	\$303	\$185
Rubbish removal	\$85	\$235
Volunteer Expenses	\$289	\$110
WEB Site - expenses	\$2,136	\$0
Write Off's	\$15,044	\$0
Total Administration	\$92,376	\$60,581
Contractors & Consultants		
Bookkeeping services	\$0	\$4,343
Consulting Expenses - contract	\$9,250	\$0
Building & Garden Maintenance	\$10,345	\$7,209
Insurance	\$16,247	\$17,431
Total Contractors & Consultants	\$35,842	\$28,982
Rent & Utilities		
Gas / Elect / Utilities	\$11,730	\$12,191
Rent	\$18,454	\$19,306
Telephone / Internet	\$11,030	\$10,555
Total Rent & Utilities	\$41,214	\$42,052
Project Expenses		
Client - Sundries/oncosts	\$91	\$258
Client - Activities/Therapy	\$11,505	\$14,803
Travel, Meals & Accom Exp's	\$4,329	\$5,300
Catering	\$7,794	\$8,616
Emergency Family Assistance	\$5	\$138
Activities & Resources	\$42,376	\$13,196
Excursions/Incursions	\$2,968	\$4,805
Newsletter	\$0	\$500
Project Admin Fee	\$0	\$102,896
BOOSH fees waived	\$12,419	\$0
Provision Adjustment	-\$23,340	\$27,842

This report includes Year-End Adjustments.

Blackheath Area Neighbourhood Centre Inc

Profit & Loss [Last Year Analysis]

July 2019 To June 2020

ABN: 83 058 109 149

	This Year	Last Year
Provision - Equipment	\$0	\$450
Total Project Expenses	\$58,146	\$178,803
Vehicle Expenses		
ZKS488 - Toyota Hiace	\$0	\$2,504
AY85CQ -Toyota W/Chair Bus	\$2,559	\$2,559
BZ65CT - Toyota Hiace Commute	\$2,258	\$3,057
BE69RR - Toyota Hiace	\$994	\$6,206
BR3-7AM Toyota Camry	\$0	\$4,951
CE56RC - Hyundai i40 Expense	\$0	\$6,821
CR69HO Mitsubishi ASX	\$7,312	\$5,055
CR80HR Mitsubishi ASX	\$7,561	\$4,718
CV53JT Toyota Hiace	\$9,791	\$0
CV54JT Toyota Hiace	\$9,856	\$0
Vehicle Hire	\$0	\$250
Vehicle Miscellaneous	\$229	\$169
Total Vehicle Expenses	\$40,560	\$36,290
Wages		
Wages & Salaries	\$1,012,396	\$960,588
Wages- First Aid Allowance	\$10,410	\$10,318
Wages- On Call Allowance	\$5,700	\$9,027
Wages- Broken Shift Allowance	\$1,892	\$1,453
Wages- Annual / Sick Leave	\$66,205	\$58,093
Wages- Long Service Leave	\$7,529	\$984
Wages- Motor Vehicle Allowance	\$19,927	\$15,998
Wages - Workers Comp	\$5,381	\$5,950
Total Wages	\$1,129,439	\$1,062,412
Leave Accrual Adjustment	\$12,325	\$16,367
Superannuation	\$102,999	\$98,368
Workers' Compensation	\$20,554	\$22,272
Other Employment		
Staff Development & Training	\$3,047	\$375
Other Employment Expenses	\$886	\$926
Staff Amentities & Services	\$1,013	\$826
Misc Staff gifts	\$359	\$0
Total Other Employment	\$5,304	\$2,127
Total EXPENSES	\$1,538,759	\$1,548,254
Operating Profit	\$124,269	\$34,543
OTHER INCOME		
Administration Transfer	\$124,050	\$0
Bank Interest	\$0	\$5,448
Gain on Disposal of Asset	\$23,200	\$5,909
Total OTHER INCOME	\$147,250	\$11,357
OTHER EXPENSES		
Administration Transfer	\$124,050	\$0
Bank Fees	\$0	\$275
Write-Off's		
Write off - Miscellaneous	\$0	\$353
Total Write-Off's	\$0	\$353
Total OTHER EXPENSES	\$124,050	\$629

This report includes Year-End Adjustments.

Profit & Loss [Last Year Analysis]

July 2019 To June 2020

ABN: 83 058 109 149

This Year Last Year

Net Profit/(Loss)

\$147,469

\$45,271

This report includes Year-End Adjustments.

Blackheath Area Neighbourhood Centre Inc

Balance Sheet [Last Year Analysis]

June 2020

ABN: 83 058 109 149

	This Year	Last Year
ASSETS		
Current Assets		
Bank Accounts		
Bendigo Bank - Main Account	\$284,566	\$247,558
Bendigo Bank - Debit Card	\$2,080	\$1,725
Bendigo Bank - NILS Account	\$78,670	\$76,642
Commonwealth Bank - Deposits	\$7,491	\$30,872
ING Business Optimiser	\$373	\$370
Undeposited Funds	\$984	\$2,429
Total Bank Accounts	\$374,163	\$359,596
Term Deposits		
Bendigo Bank Shares	\$1,000	\$1,000
T/Deposit 2501 - Leave Provn	\$152,614	\$152,614
T/Deposit 2505 - NILS	\$10,000	\$10,000
Total Term Deposits	\$163,614	\$163,614
Accrued Interest	\$743	\$1,204
Cash Floats		
Cash Float - BANC	\$50	\$50
Cash Float - CAS	\$500	\$500
Cash Float - BOOSH	\$0	\$100
Cash Float - Cyber Shed	\$0	\$200
Float - BMCC Hall Bookings	\$50	\$50
Total Cash Floats	\$600	\$900
Trade Debtors		
Debtors	\$22,845	\$43,511
Provn Doubtful Debts	-\$4,819	-\$5,857
NILS Loans Outstanding	\$449	\$8,337
NILS Provn Doubtful Debts	\$0	-\$2,328
Debtors - BOOSH (Family Pays)	-\$198	\$5,296
Debtors - BOOSH CCMS not C/Fwd	\$0	\$2,624
Less: BOOSH/VAC D/Debt provn	-\$1,056	-\$3,379
Total Trade Debtors	\$17,220	\$48,204
Other Current Assets		
Reimbursements Due	\$794	\$0
Accrued Income	\$141,560	\$49,749
Total Other Current Assets	\$142,354	\$49,749
Bonds		
Bond - 110 Wentworth Street	\$1,000	\$1,000
Bond - Storage Unit	\$176	\$176
Total Bonds	\$1,176	\$1,176
Other Prepayments		
Misc. Prepayments	\$8,755	\$8,106
Total Other Prepayments	\$8,755	\$8,106
Total Current Assets	\$708,624	\$632,549
Non-Current Assets		
Fixed Assets- Equipment Grant		
Furniture & Fixtures - CAS	\$37,572	\$37,572
Accum Depn - F&F CAS	-\$27,698	-\$24,951
New Furniture (lounges) -CAS	\$5,525	\$5,525
Accum Depn - New Furn CAS	-\$5,525	-\$5,525
Boston Lift Chairs - CAS	\$1,522	\$1,522

This report includes Year-End Adjustments.

Balance Sheet [Last Year Analysis]

June 2020

ABN: 83 058 109 149

	This Year	Last Year
Accum Depn -Boston Lift chairs	-\$1,522	-\$1,522
Furniture & Fixtures - KATCAS	\$9,755	\$9,755
Accum Depn - F&F KATCAS	-\$9,755	-\$9,755
Portable Mesage Board-BFR MtVi	\$0	\$11,700
Accum Depn - Port Msg Board	\$0	-\$11,700
Total Fixed Assets- Equipment Grant	\$9,874	\$12,621
Fixed Assets-Operating Funds		
Furniture & Fixtures - BANC	\$23,496	\$21,176
Acc Depn - F&F BANC	-\$18,739	-\$17,612
Computer Equipment - BANC	\$52,166	\$51,021
Acc Depn - Comp Equip BANC	-\$50,251	-\$49,171
Furniture & Fixtures - BOOSH	\$2,364	\$2,364
Acc Depn - F&F BOOSH	-\$2,364	-\$2,364
Total Fixed Assets-Operating Funds	\$6,672	\$5,414
Motor Vehicles-Equipment Grant		
Toyota W/Chair Bus AY85CQ	\$65,597	\$65,597
Acc Depn - Wchair AY85CQ	-\$65,597	-\$65,597
Total Motor Vehicles-Equipment Grant	\$0	\$0
Motor Vehicles-Operating Funds		
Toyota Hiace BE6-9RR	\$0	\$46,886
Acc Depn - BE6-9RR	\$0	-\$46,886
Toyota Hiace - BZ6 5CT	\$0	\$51,119
Acc Depn - BZ6 5CT	\$0	-\$51,119
Total Motor Vehicles-Operating Funds	\$0	\$0
Total Non-Current Assets	\$16,546	\$18,035
Total ASSETS	\$725,169	\$650,584
LIABILITIES		
Trade Creditors	\$16,032	\$20,842
Other Liabilities		
BANC Projects		
HUFF - BM Fire preparation	\$2,829	\$3,129
Fundability - part 2 BM Drama	\$458	\$1,514
Boosh - F/R Prov Shade Shelter	\$2,367	\$2,367
BOOSH - General Provisions	\$2,746	\$2,746
Blue Shorts	\$650	\$650
Anzac Com Grant 2021	\$800	\$0
Total BANC Projects	\$9,850	\$10,406
Total Other Liabilities	\$9,850	\$10,406
Other Current Liabilities		
Reimbursements payable	\$2,166	\$626
Cos Grant fundng returned 19Y	\$16,842	\$0
CoS Grant funding returned 20Y	\$3,072	\$0
Other Liabilities	\$6,366	\$0
Bonds held BOOSH/VAC	\$6,100	\$6,400
CAS Plan Management Clearing	\$6	\$693
Provisions		
Dis w/chair bus unexpired chgs	\$4,317	\$4,317
Unexpired Charge-PMB-MtVic BFR	\$6,204	\$1,504
BANC - N/C Consortium Donation	\$1,833	\$1,833
CAS - TPV training	\$0	\$1,478
BOOSH - CBA	\$7,063	\$7,063

This report includes Year-End Adjustments.

Blackheath Area Neighbourhood Centre Inc

Balance Sheet [Last Year Analysis]

June 2020

ABN: 83 058 109 149

	This Year	Last Year
CB CAS Kitchen (Asset Depn)	\$8,976	\$11,257
Bulgamada	\$0	\$28,040
Blackheath Cares	\$3,334	\$20,000
Food Pantry - Food Coop	\$450	\$450
Total Provisions	\$32,176	\$75,942
GST Liabilities		
GST Collected	\$9,008	\$18,784
GST Paid	-\$6,426	-\$5,328
Total GST Liabilities	\$2,582	\$13,455
Recurrent Grants		
Grants Received In Advance	\$15,337	\$51,868
Total Recurrent Grants	\$15,337	\$51,868
Non-Recurring Grants		
Other Grants		
TAP Marketing Grant	\$8,442	\$8,442
Total Other Grants	\$8,442	\$8,442
Total Non-Recurring Grants	\$8,442	\$8,442
Payroll		
PAYG & Superannuation		
PAYE Tax Payable	\$11,466	\$21,898
Superannuation - Other	\$22,635	\$27,610
Total PAYG & Superannuation	\$34,101	\$49,508
Payroll Provisions		
Provision for Annual Leave	\$63,212	\$60,710
Provision for Sick Leave	\$34,655	\$28,021
Provision for LSL	\$38,220	\$33,661
Provision for Time in Lieu	\$8,017	\$9,387
Provision for Redundancy	\$35,045	\$35,045
Total Payroll Provisions	\$179,149	\$166,824
Total Payroll	\$213,250	\$216,332
Salary Packaging		
Exempt Benefits Payable		
Exempt Benefits - Davies J	\$600	\$700
Total Exempt Benefits Payable	\$600	\$700
Total Salary Packaging	\$600	\$700
Total LIABILITIES	\$332,822	\$405,706
Net Assets	\$392,347	\$244,879
EQUITY		
Retained Earnings		
Retained Earnings - BANC	\$136,023	\$90,751
Retained Earnings - CBA	\$11,980	\$11,980
Retained Earnings - Recreation	\$65,933	\$65,933
Retained Earnings - KATCAS	-\$6,949	-\$6,949
Retained Earnings - Puppets	\$8,358	\$8,358
Retained Earnings - BOOSH	-\$4,915	-\$4,915
Total Retained Earnings	\$210,430	\$165,159
Current Earnings	\$147,469	\$45,271
Prior Year Adjustments 14-15	-\$2,761	-\$2,761
Prior Year Adjustments 17-18	\$37,210	\$37,210

This report includes Year-End Adjustments.

Blackheath Area Neighbourhood Centre Inc

Balance Sheet [Last Year Analysis]

June 2020

ABN: 83 058 109 149

	This Year	Last Year
Total EQUITY	\$392,347	\$244,879

This report includes Year-End Adjustments.

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Statement of Cash Flows
For the year ended 30 June 2020

	2020	2019
	\$	\$
<hr/>		
Cash Flow From Operating Activities		
Receipts from customers	1,502,200	1,582,796
Payments to Suppliers and employees	(1,509,406)	(1,434,818)
Interest received	3,483	5,448
Net cash provided by (used in) operating activities (note 2(b))	<u>(3,723)</u>	<u>153,427</u>
Cash Flow From Investing Activities		
Payments for property, plant and equipment	(3,465)	(13,333)
Proceeds on sale of property, plant and equipment	<u>23,200</u>	<u>21,194</u>
Net cash provided by investing activities	<u>19,735</u>	<u>7,861</u>
Net increase in cash held	16,012	145,566
Cash at the beginning of the year	<u>519,782</u>	<u>374,216</u>
Cash at the end of the year (note 2(a))	<u><u>535,794</u></u>	<u><u>519,782</u></u>

The accompanying notes form part of these financial statements.

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Statement of Changes in Equity for the year ended 30/06/2020

	Notes	Retained Earnings	Total
Balance at 01/07/2018		199,607	199,607
Comprehensive income			
Profit attributable to the members		45,271	45,271
Total comprehensive income for the year attributable to members of the entity		45,271	45,271
Balance at 30/06/2019		244,878	244,878
Comprehensive income			
Profit attributable to the members		147,469	147,469
Total comprehensive income for the year attributable to members of the entity		147,469	147,469
Balance at 30/06/2020		392,347	392,347

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act of New South Wales and the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity as it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-Profits Commission Act 2012 and the significant accounting policies disclosed below, which the Committee have determined are appropriate to meet the needs of the members. The special purpose financial statements do not comply with all the recognition and measurement requirements in Australian Accounting Standards.

The recognition and measurement requirements that have not been complied with are those specified by Accounting Standards (i) AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The association has recognised provisions for Community programs, employee sick leave, redundancy and time in lieu of which do not meet the recognition criteria in AASB 137 and (ii) AASB 16 Leases as the association recognises commercial lease arrangements as an expense under AASB 117 Leases (superceded by AASB 16).

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

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 banks, and other short-term highly liquid investments with original maturities of seven months or less.

Notes to the Financial Statements
For the year ended 30 June 2020

(b) Revenue and Other Income

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

Revenue comprises of revenue from grant income, child care centre operations, NDIS services, donations, bank interest, government COVID-19 JobKeeper payment subsidy and Cash Flow Boost instalments and other income.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest revenue is recognised on an accruals basis.

Donations and bequests were recognised as revenue when received.

Revenue from the rendering of a service was recognised upon the delivery of the service to the customer.

(c) Goods and Services Tax (GST)

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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

(d) Income Tax

The Association is a registered charity and is exempt from income tax in accordance with Section 50-B of the Income Tax Assessment Act 1997. The Association is a public benevolent institution and holds deductible gift recipient status.

(e) Property, Plant and Equipment (PPE)

Motor vehicles and office equipment are carried at cost less, where applicable, any accumulated depreciation.

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

The carrying amount of an item of PPE shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE shall be included in profit or loss when the item is derecognised.

(f) Impairment of Assets

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

Notes to the Financial Statements

For the year ended 30 June 2020

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(g) 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 reasonably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

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

For leases that have significantly below-market terms and conditions principally to enable the association to further its objectives (commonly known as peppercorn/concessionary leases), the association has adopted the temporary relief under AASB2018-8 and measures the right of use assets at cost on initial recognition.

(i) Key estimates and judgments

Plant and equipment - as indicated in Note 1(e), the association reviews the useful life of plant and equipment on annual basis.

Employee entitlements - as indicated at Note 1(f), employee benefits have been measured at the amounts expected to be paid when the liability is settled. The association exercises judgment in the classification of employment arrangements in order to assess any obligation for employee entitlements.

Going concern - the COVID-19 pandemic has detrimentally effected the worldwide economy. The association has assessed its ability to continue as a going concern and there is no known material uncertainty as at the date of signing the financial report that would effect the ability of the association to continue as a going concern. Accordingly, the financial statements have been prepared as a going concern.

JobKeeper wage subsidy income – this government scheme is a wage subsidy that entitles eligible entities that have suffered a specified decline in turnover to a payment of \$1,500 per fortnight for wages paid to eligible employees. Employers elect to participate in the scheme. Employees subject to the scheme must be eligible for JobKeeper payments, with the onus on the employer to establish that all eligibility requirements are met before applying for the scheme. Management exercises judgement in applying for this scheme which is based on future estimates and an employees declaration of eligibility.

(j) Economic Dependence

The Association is dependent on both the Department of Communities & Justice (previously known as Family & Community Services) ("DCJ") and the Department of Health ("DOH") for grant funding. The Association renewed its agreement for funding services with DCJ for a five year term commencing 1st July 2020 and has ongoing support from DOH until 31st October 2021. At the date of this report the Committee has no reason to believe these Departments will not continue to support the Association.

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Statement of Cash Flows
For the year ended 30 June 2020

	2020	2019
Note 2(a). Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and term deposits.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Bendigo Bank - Main account	284,566	247,558
Bendigo Bank - NILS account	78,670	76,642
Bendigo Bank - cash account	2,080	1,725
Commonwealth Bank - deposits	7,491	30,872
ING Business Optimiser	373	370
Term deposits - at call	162,614	162,614
	<u>535,794</u>	<u>519,782</u>

Note 2(b). Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit	147,469	45,271
Depreciation	2,673	
Gain on disposal of assets	(23,200)	
Provision for doubtful debts		(5,263)
Changes in assets and liabilities:		
(Increase) decrease in trade and term debtors	30,984	75,623
(Increase) decrease in accrued income	(92,605)	
(Increase) decrease in other assets	(648)	(56,644)
Increase (decrease) in trade creditors and accruals	(35,976)	76,494
Increase (decrease) in employee entitlements	12,324	16,368
Increase (decrease) in sundry provisions	(44,744)	1,578
Net cash provided by (used in) operating activities (note 2(b))	<u>(3,723)</u>	<u>153,427</u>

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Notes to the Financial Statements

For the year ended 30 June 2020

2020

2019

Note 3: Contingent Liabilities

A landmark judgement in May 2020 by the Full Court of the Federal Court on the Workpac Pty Ltd vs Rossato (WorkPac vs Rossato) case, ruled that an employee previously considered by the employer as "casual" who worked regular and predictable shifts was entitled to additional paid leave. The higher pay rate received (casual loading) could not be used to offset leave entitlement obligations. Post 30 June 2020, WorkPac applied to the High Court for special leave to appeal the Full Federal Court's decision that Rossato was a casual employee. At the date of signing of the financial report, the High Court has not made a decision on the application.

BANC employs casual staff and does not recognise paid leave entitlements for casual staff. No leave entitlements have been recognised in the 30 June 2020 financial statements. The entity has assessed there may be a possible obligation at 30 June 2020, however, the estimate of the financial effect is unknown.

BANC is subject to two separate workers compensation claims. These claims are expected to be fully covered under BANC's workers compensation policy. No liabilities have been recognised as at 30 June 2020 or are expected in future reporting periods in relation to these outstanding claims.

Note 4: Events Subsequent to Reporting Date

Since the end of the financial year, the Government announced the extension of the JobKeeper Payment for a further six months until 28 March 2021 and is targeting support to those businesses and not-for-profits who continue to be significantly impacted by the Coronavirus. BANC is eligible to receive the JobKeeper payment extension from 28 September 2020.

The financial effects of the above have not been brought to account in the accounts at 30 June 2020.

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

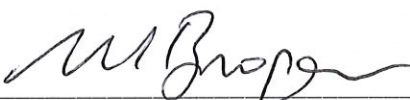
**Statement by Members of the Board
For the year ended 30 June 2020**

The Board 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 Board the Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of Blackheath Area Neighbourhood Centre Inc as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.
3. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This statement is made in accordance with a resolution of the Board and signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 on behalf of the Board by:



Michael Brogan - President



Yuliya Mann - Treasurer

Blackheath Area Neighbourhood Centre Inc ABN 83 058 109 149

Independent Auditor's Report to the Members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blackheath Area Neighbourhood Centre Inc (the association), which comprises the Statement by Members of the Committee, the Income and Expenditure Statement, Balance Sheet as at 30 June 2020, a summary of significant accounting policies and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2020 and [of] its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 1991 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

We do not provide an opinion on the entities eligibility or verify the entitlement in relation to the Commonwealth Government Jobkeeper assistance.

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 association 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 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 – JobKeeper wage subsidy

We draw attention to Note 1(i) to the financial report, which describes the critical accounting estimates and management judgement exercised in relation to the government JobKeeper wage subsidy. The eligibility for the scheme is based upon management judgement and employees declaration of eligibility. Our audit does not include an opinion in relation to eligibility for this scheme. Our opinion is not modified in respect of this matter.

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 association to meet the requirements of Associations Incorporation Act 1991 and with 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 the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 1991 and for such internal control as the committee determines 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 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 the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members

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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Signed on this 16 day of October 2020:



William Tomiczek, F.I.P.A., Registered Company Auditor 1425
William Tomiczek & Associates
66 Emu Plains Road, Mount Riverview NSW 2774

