

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012**

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

CONTENTS

Committee's Report	1
Auditor's Independence Declaration	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Statement by Members of the Committee	25
Auditor's Report	26
Certificate by Members of the Committee	28
Auditor's Disclaimer	29
Detailed Profit & Loss Statement	30

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

COMMITTEE'S REPORT

Your committee members submit the financial report of the Peninsula Community Centre Inc. for the financial year ended 30 June, 2012.

Committee Members

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

Katie Smith
Max Brigden
Gordon Ward
Rhonda Mitchell
Ron Thomsen

Principal Activities

The principal activities of the association during the financial year were:

to provide Before & After School and Vacation Care childcare services, community services and activities, coordinate and/or provide services to frail aged people, people with disabilities and their carers, in the Gosford LGA and to people on the Central Coast of NSW.

Operating Result

The profit after providing for income tax amounted to \$394,596 (2011: \$312,498 profit).

Objectives

The association continues to pursue its objectives of providing community welfare activities, youth services, childcare and children's activities, adult education, and support and assistance to frail, aged and other Australians through its community aged care programs.

Strategies

The four key objectives of the Strategic Plan continue to guide service development and delivery:

PROGRAMS AND SERVICES: Building and delivering a broad range of accessible, affordable and high quality programs and services that meet community need and promote individual and community, social, economic, health and environmental wellbeing.

NETWORKS AND PARTNERSHIPS: Building strong partnerships and networks that benefit the local community, improve outcomes for service users, and contribute to social and community research and planning throughout the Central Coast.

PEOPLE AND CULTURE: Building a friendly, positive, professional and client-focused workforce through effective human resource management, appropriate training and professional development, and the promotion of an ethical, fair and supportive culture.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

COMMITTEE'S REPORT

ORGANISATIONAL CAPACITY AND CAPABILITY: Building a resilient and thriving organisation that is committed to integrity and transparency in governance and management practices, and effectively and efficiently uses its resources and assets to support service users, community engagement, and the fulfillment of these strategic aims.

Key Performance Indicators

PROGRAM AND SERVICES:

All childcare services have maintained high quality accreditation during the transition to registration under the Australian Children's Education and Care Quality Authority (AECQA) which is now the national licensing, regulatory and quality assurance body for children's services.

All home and community aged care services were assessed and found to be compliant under the new national Community Care Common Standards.

Peninsula Community Centre's Problem Gambling Counselling Service changed its name to Gambling Solutions. It successfully completed the QMS quality review under the QIC Health and Community Service Standards and has been fully accredited.

The Alcohol and Other Drug program run with Evolution Youth Service concluded its three year contract at 30 June 2012. This program is the only AOD program with a tertiary qualified AOD counsellor on staff. We have been successful in tendering for an enhanced three-year contract to continue delivering this program for 2012-2015.

The PCC successfully prepared its home and community care programs for the transition to new funding contracts with the Commonwealth Government through the Department of Health and Ageing (DoHA) from 1 July 2012. At this date, the Commonwealth took funding responsibility for all aged care services delivered to people over 65. The NSW Department of Ageing, Disability and Home Care (ADHC) continues to fund services to people younger than 65 and to people with a disability. These new contracts with DoHA and ADHC have increased our ability to provide services.

All services have met contracted service outputs.

NETWORKS AND PARTNERSHIPS:

The Peninsula Community Centre Inc continued its active involvement in networks such as: Peninsula Interagency Group; Central Coast Neighbourhood & Community Centres Forum; Central Coast Ageing & Disability Association; Central Coast Volunteering; Central Coast Not for Profit Forum; NSW COPS (Community Options); Local Community Services Association (NSW), Peninsula Community Drug Action Team.

The Peninsula Community Centre also actively participates in the Department of Family & Community Services (FACS) One Place One Plan Community Reference Group and the ADHC Community Care Access Point Stakeholders Forum.

A close partnership has been established with Coastwide Child & Family Services (CCFS) to continue delivery of family day care services on the Peninsula. The Peninsula & District Family Day Care Service was transferred to Gosford Family Day Care under CCFS. This brought our own 20 family day care educators into a larger group of approximately 70 educators across the LGA.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

COMMITTEE'S REPORT

PEOPLE AND CULTURE:

All children's services staff have minimum qualifications (Certificate III) in early childhood or children's services. A number of employees have begun a Certificate IV in OOSH and all site supervisors have completed a Diploma in Children's Services.

The Peninsula Community Centre Inc successfully reclassified and transitioned 48 staff from the old NSW Social and Community Services Award to the modern Social, Community, Home Care and Disability Services Industry Award 2010 by the deadline of 30 June. This reclassification process was necessary to meet the classifications set down by Fair Work Australia and establish baseline pay rates ready for the implementation of the Equal Remuneration Order which takes effect from 1 December 2012. All positions have up to date position descriptions.

A Human Resources/Work, Health & Safety Officer was appointed.

ORGANISATIONAL CAPACITY AND CAPABILITY:

Peninsula Community Centre Inc continues to operate profitably. Workers Compensation insurance premiums have fallen by 14% on the previous year. Fringe Benefits Tax has been reduced by 18% and is now stable. However, electricity costs have risen by 59% over the previous year, and insurance costs have more than doubled as new funding agreements have higher coverage requirements.

The PCC has invested significantly in the business during 2011-2012, refurbishing the old cottages that serve as office space, improving IT connections (cabling), replacing old furniture, and replacing old air conditioning systems. This investment has now maximised the utilisation of the available space.

The PCC has completely replaced its telephone systems with a modern VOIP system that has brought each of its nine work sites and every phone into the network. Partnering with CCTS and Optus for the implementation, this new system has reduced telephone costs by 18%.

Achievements/ Significant changes during the year

The Peninsula Links Day brought together service providers and government agencies to showcase the services available to people on the Peninsula. Now in its second year, a greater number of service providers had stalls and more than 500 people walked through during the day.

The PCC's Ageing and Disability Services Group received \$150,000 from ADHC to provide one-off squalor and boarding clean-ups across the Central Coast. Through our case management approach, people who have found themselves in situations of squalor can be connected with social supports and networks that minimise recurrence of future hoarding.

The Peninsula and District Family Day Care Scheme was transferred to Gosford Family Day Care (a scheme operated by Coastwide Child and Family Services).

**PENINSULA COMMUNITY
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COMMITTEE'S REPORT

Future Developments

Working with a marketing consultancy, the Peninsula Community Centre Inc will develop and implement a Strategic Marketing Plan including a Social Media Strategy.

Although parts of the business must meet specific accreditation or quality standards, the Peninsula Community Centre Inc recognises that future funding agreements will require an organisation-wide approach to quality management systems and internal quality auditing. Negotiations have begun on obtaining accreditation through QIC Health and Community Services Standards for the whole organisation by 2015.

Events after Balance Date

Peninsula Community Centre Inc has been successful in obtaining a new contract with the Ministry of Health (NSW) for the delivery of ComPacks across the Gosford LGA. This contract is worth \$520,000 per annum.

INFORMATION ON COMMITTEE MEMBERS

Katie Smith

Qualifications: Solicitor
Responsibilities: President
Meetings Board
Attendance 6
Possible 9

Max Brigden

Qualifications: Former Small Business Manager
Responsibilities: Committee Member
Meetings Board
Attendance 9
Possible 9

Gordon Ward

Qualifications: Former Police Officer/Business Manager
Responsibilities: Appointed Acting Chairperson
Meetings Board
Attendance 8
Possible 9

Rhonda Mitchell

Qualifications: Former Small Business Manager
Responsibilities: Secretary
Meetings Board
Attendance 6
Possible 9

**PENINSULA COMMUNITY
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COMMITTEE'S REPORT

Ron Thomsen

Qualifications: Retired Finance Executive with Westpac and BNP

Responsibilities: Treasurer

Meetings Board

Attendance 8

Possible 9

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

Committee

Member:

Katie Smith

Committee

Member:

Ron Thomsen

Dated this 22nd day of October 2012

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE MEMBERS OF
PENINSULA COMMUNITY CENTRE INC.**

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June, 2012 there have been:

- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Bishop Collins
Chartered Accountants

Name of Partner: _____
David McClelland

**Auditor's Registration
No.** 320260

Address: Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 22nd day of October 2012

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue	2	8,236,191	8,051,369
Other income	2	9,166	10,073
		<u>8,245,357</u>	<u>8,061,442</u>
Advertising expenses		(20,485)	(21,400)
Auditor's remuneration	3	(33,370)	(57,170)
Bad and doubtful debt expenses	4	(23,114)	(43,698)
Carer Expenses		(632,598)	(727,722)
Contractor Payments		(1,512,623)	(1,261,578)
Depreciation and amortisation expenses	4	(123,059)	(130,631)
Employee benefits expenses		(4,171,934)	(4,234,287)
Insurance		(169,264)	(173,364)
Loss on sale of non-current assets	4	(5,033)	(12,276)
Materials and equipment		(103,429)	(105,720)
Motor vehicle expenses		(93,247)	(114,508)
Rent & Utilities expenses		(127,197)	(125,469)
Repairs & maintenance and replacement equipment		(141,141)	(79,142)
Other expenses		(694,267)	(661,979)
Profit before income tax		<u>394,596</u>	<u>312,498</u>
Income tax expense	1	-	-
Profit after income tax		<u>394,596</u>	<u>312,498</u>
Profit attributable to the association		<u>394,596</u>	<u>312,498</u>
Other comprehensive income			
Revaluation Surplus Movement	16	-	(25,000)
Total comprehensive income		<u>-</u>	<u>(25,000)</u>
Total comprehensive income attributable to members of the entity		<u>394,596</u>	<u>287,498</u>

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,912,263	2,316,977
Trade and other receivables	6	170,857	161,565
Inventories	7	19,698	21,110
Other current assets	8	62,323	33,700
TOTAL CURRENT ASSETS		<u>3,165,141</u>	<u>2,533,352</u>
NON-CURRENT ASSETS			
Financial assets	9	-	500
Property, plant and equipment	10	1,364,941	1,294,518
Intangible assets	11	46,148	65,243
TOTAL NON-CURRENT ASSETS		<u>1,411,089</u>	<u>1,360,261</u>
TOTAL ASSETS		<u>4,576,230</u>	<u>3,893,613</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	538,447	514,055
Financial liabilities	13	62,005	-
Provisions	14	445,635	397,667
Other current liabilities	15	937,932	744,813
TOTAL CURRENT LIABILITIES		<u>1,984,019</u>	<u>1,656,535</u>
NON-CURRENT LIABILITIES			
Provisions	14	70,309	109,772
TOTAL NON-CURRENT LIABILITIES		<u>70,309</u>	<u>109,772</u>
TOTAL LIABILITIES		<u>2,054,328</u>	<u>1,766,307</u>
NET ASSETS		<u>2,521,902</u>	<u>2,127,306</u>
EQUITY			
Reserves	16	981,763	981,763
Retained earnings	17	1,540,139	1,145,543
TOTAL EQUITY		<u>2,521,902</u>	<u>2,127,306</u>

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Retained earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2010		833,045	1,006,763	1,839,808
Revaluation Surplus Movement	16		(25,000)	(25,000)
Profit/(loss) attributable to members		312,498		312,498
Balance at 30 June 2011		<u>1,145,543</u>	<u>981,763</u>	<u>2,127,306</u>
Profit/(loss) attributable to members		394,596		394,596
Balance at 30 June 2012		<u><u>1,540,139</u></u>	<u><u>981,763</u></u>	<u><u>2,521,902</u></u>

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,885,018	1,627,108
Payments to suppliers and employees		(7,610,880)	(7,548,301)
Dividends received		59	103
Interest received		114,416	73,631
Receipts from grants		5,314,421	6,286,104
Net cash provided by operating activities	19	<u>703,033</u>	<u>438,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		32,818	167,139
Proceeds from sale of investments		2,229	-
Payments for property, plant and equipment		(204,800)	(275,804)
Net cash used in investing activities		<u>(169,753)</u>	<u>(108,665)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		62,006	-
Net cash provided by financing activities		<u>62,006</u>	<u>-</u>
Net increase in cash held		595,286	329,980
Cash at beginning of financial year		2,316,977	1,986,997
Cash at end of financial year		<u>2,912,263</u>	<u>2,316,977</u>

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1 Statement of Significant Accounting Policies

Peninsula Community Centre Inc. as an individual entity. Peninsula Community Centre Inc. is an association incorporated in New South Wales under the Associations Incorporation Act (NSW) 2009.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (NSW) 2009.

Peninsula Community Centre Inc. has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statements are presented below and have been consistently applied 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.

Accounting Policies

Going Concern

The financial report of the association has been prepared on a going concern basis. This basis has been applied as the committee members have received a guarantee of continuing government support and it is the committee members' belief that such government support will continue to be made available.

Income Tax

The Association is exempt from Income Tax under section 50-10 of the Income Tax Assessment Act 1997

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	5 - 25%
Motor Vehicles	15 - 25%
Furniture & Fittings	5 - 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Asset Capitalisation Policy

The Association's policy for the capitalisation of non-current assets is that they will be recorded in the asset register and the Statement of Financial Position if the asset purchased cost in excess of \$5,000. This policy is in line with grant funding requirements.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expenses to profit or loss immediately.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Impairment of Assets

At the end of each reporting period, the association 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 recognised immediately in the income and expenditure statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Financial Assets

Financial assets are initially recognised on the cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the Committee. The recoverable amounts are assessed from the quoted market value for shares in listed companies. The expected net cash flows from financial assets have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the entity to an employee's personal superannuation fund and are charged as expenses when incurred.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Revenue and Other Income

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measure reliably.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

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 Tax 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Economic Dependence

Peninsula Community Centre Inc. is dependent upon government departments for their grant funding. At the date of the report, the Committee has no reason to believe that the departments will not continue to support Peninsula Community Centre Inc.

Critical Accounting Estimates and Judgments

The committee members evaluate estimates and judgments incorporated into the financial statements 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.

Key estimates - Fringe Benefits Tax Liability

During the current year the Association lodged the remaining past years FBT returns noted as key estimates last year. The actual FBT liability for those years is recorded in the Statement of Financial Position with in Trade and Other Payables at a value of \$126,049. Since year end that liability has been paid.

Key judgments - Income Tax Exemption

The committee are of the opinion that the association's exemption from income tax under section 50-10 of the Income Tax Assessment Act 1997 is still valid and the association has no liability for income tax.

Key judgments - Unspent Grants

The association records grants unspent as a liability within grants repayable until direction is received from the funding bodies in relation to retention or repayment of the funds.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
2 Revenue and Other Income			
Revenue			
Grants received		5,233,138	5,060,826
Government contributions		1,092,158	1,146,606
Service user contributions and fees		1,564,061	1,547,996
Room hire		134,822	116,013
Other fees and charges received		9,997	2,335
		<u>8,034,176</u>	<u>7,873,776</u>
Other revenue			
Dividends received		59	103
Interest received		114,416	73,631
Other revenue		87,540	103,859
		<u>202,015</u>	<u>177,593</u>
Total revenue		<u>8,236,191</u>	<u>8,051,369</u>
Other income			
Capital Gain(Loss) on Sale of Shares		1,729	-
Profit on Sale of Non-current Assets		7,437	10,073
Total other income		<u>9,166</u>	<u>10,073</u>
Total revenue and other income		<u>8,245,357</u>	<u>8,061,442</u>
3 Auditor's Remuneration			
Bishop Collins - Audit fees last year		470	21,225
Bishop Collins - Audit fees this year		24,000	23,000
Bishop Collins - Accounting fees last year		4,500	4,440
Bishop Collins - FBT this year		4,400	2,000
Other Services - Bishop Collins		-	6,505
		<u>33,370</u>	<u>57,170</u>
4 Profit for the year			
Profit before income tax from continuing operations includes the following specific expenses:			
Expenses			
Depreciation of property, plant and equipment		123,059	130,631

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note	2012 \$	2011 \$
Bad Debts Written Off	4,882	23,648
Doubtful Debts	18,232	20,050
Total bad and doubtful debts	<u>23,114</u>	<u>43,698</u>
Capital Gain(Loss) on Sale of Shares	1,729	-
Profit on Sale of Non-current Assets	7,437	10,073
Loss on Sale of Non-current Assets	(5,033)	(12,276)
5 Cash and Cash Equivalents		
Current		
Cash on Hand	1,730	1,150
Cash at Bank	2,910,533	2,315,827
	<u>2,912,263</u>	<u>2,316,977</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>2,912,263</u>	<u>2,316,977</u>
	<u>2,912,263</u>	<u>2,316,977</u>
6 Trade and Other Receivables		
Current		
Trade Debtors & Accrued Income	173,505	161,658
	<u>(25,764)</u>	<u>(37,301)</u>
	147,741	124,357
Other Debtors	23,116	37,208
	<u>170,857</u>	<u>161,565</u>

The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
7 Inventories			
Current			
Stock/Materials on Hand		19,698	21,110
8 Other Current Assets			
Current			
Deposits		1,200	1,000
Prepayments		61,123	32,700
		<u>62,323</u>	<u>33,700</u>
9 Financial Assets			
Non-Current			
Shares in Listed Companies		-	500
10 Property, Plant and Equipment			
Building Improvements - at cost		6,380	6,380
Less: Accumulated Depreciation		(526)	(271)
		<u>5,854</u>	<u>6,109</u>
Land & Buildings - at independent valuation in 2010		<u>960,000</u>	<u>960,000</u>
Plant & Equipment - at cost		101,035	135,801
Less: Accumulated Depreciation		(72,349)	(117,386)
		<u>28,686</u>	<u>18,415</u>
Motor Vehicles - at cost		562,297	516,906
Less: Accumulated Depreciation		(191,896)	(210,134)
		<u>370,401</u>	<u>306,772</u>
Furniture & Fittings - at cost		-	11,977
Less: Accumulated Depreciation		-	(8,755)
		<u>-</u>	<u>3,222</u>

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Total Plant and Equipment		399,087	328,409
Total Property, Plant and Equipment		1,364,941	1,294,518

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant & Equipment	Motor Vehicle	Furniture & Fittings	Land, Buildings & Improvements	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2010	3,705	408,550	5,312	999,365	1,416,930
Additions	20,151	179,271	-	-	199,422
Disposals	-	(169,342)	-	(33,000)	(202,342)
Depreciation expense	(5,441)	(111,707)	(2,089)	(255)	(119,493)
Balance at 30 June 2011	18,415	306,772	3,222	966,109	1,294,518
Additions	21,532	183,268	-	-	204,800
Disposals	(4,895)	(25,516)	-	-	(30,412)
Depreciation expense	(7,339)	(94,123)	(2,248)	(255)	(103,965)
Transfers	974	-	(974)	-	-
Carrying amount at 30 June 2012	28,687	370,401	-	965,854	1,364,942

11 Intangible Assets

Software - Other	76,382	76,382
Accumulated Amortisation	(30,234)	(11,139)
Total	46,148	65,243

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
12 Trade and Other Payables			
Current			
Trade Creditors		143,440	110,670
Accruals and Other Creditors		339,108	356,106
Input Tax Credits		(71,540)	(59,546)
GST Payable		127,439	106,825
		<u>538,447</u>	<u>514,055</u>
13 Borrowings			
Current			
Loans Payable		77,480	-
Loan unamortised interest		(15,475)	-
Total current borrowings		<u>62,005</u>	<u>-</u>
Total borrowings		<u>62,005</u>	<u>-</u>
14 Provisions			
Provision for Holiday Pay		276,787	294,253
Provision for Long Service Leave - current		152,944	103,414
Provision for Long Service Leave - non current		70,309	109,772
		<u>500,040</u>	<u>507,439</u>
Provision for Redundancy		15,904	-
Total provisions		<u>515,944</u>	<u>507,439</u>
Analysis of Total Provisions			
Current		445,635	397,667
Non-current		70,309	109,772
		<u>515,944</u>	<u>507,439</u>
Reconciliation of Provisions for Employee Entitlements			
Opening balance as at beginning of financial year		507,439	603,173
Additional charge		391,807	406,206
Less leave paid		(383,302)	(501,940)
Closing balance at end of the financial year		<u>515,944</u>	<u>507,439</u>

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
15 Other Liabilities			
Current			
Income in Advance		39,220	33,486
Grants in Advance		480,033	398,751
Grants Repayable		418,679	312,576
		<u>937,932</u>	<u>744,813</u>
16 Reserves			
Revaluation Surplus			
The revaluation surplus records the revaluations of non-current assets.			
Revaluation Surplus			
Opening Balance for the year		981,763	1,006,763
Revaluation Surplus Movement		-	(25,000)
		<u>981,763</u>	<u>981,763</u>
17 Retained Earnings			
Retained earnings at the beginning of the financial year		1,145,543	833,045
Net profit attributable to the association		394,596	312,498
Retained earnings at the end of the financial year		<u>1,540,139</u>	<u>1,145,543</u>
18 Related Party Transactions			
Daughter of President is a child care worker with Children's Services		<u>22,803</u>	<u>22,688</u>

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
19 Cash Flow Information			
Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit after income tax		394,596	312,498
Non-cash flows in profit			
Profit on sale of non-current assets		(9,166)	(10,073)
Loss on sale of non-current assets		5,033	12,276
Depreciation		123,058	130,631
Other expenses		-	8,001
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries			
(Increase) Decrease in current inventories		1,412	(12,439)
(Increase) Decrease in current receivables		(37,916)	(89,492)
Increase (Decrease) in trade creditors		130,495	145,450
Increase (Decrease) in current provisions		8,506	(95,734)
Increase (Decrease) in income in advance & grants		87,016	37,527
		703,033	438,645

20 Association Details

The registered office of the association is:

93 McMasters Road, Woy Woy NSW

The principal place of business is:

93 McMasters Road, Woy Woy NSW

21 Segment Reporting

The Association operates predominantly in the education and welfare industry. The principal activities of the Association are the provision of education and welfare services.

The Association operates in one geographic area, being Central Coast, New South Wales, Australia.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
22	Members' Guarantee		

If the Association is wound up the constitution states that each member is required to contribute a maximum of \$2 each toward the outstanding obligations of the Association.

Total members as at 30 June 2012 is 205 (2011: 263).

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial statements :

1. Presents a true and fair view of the financial position of Peninsula Community Centre Inc. as at 30 June, 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Peninsula Community Centre Inc. 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:

President: _____
Kate Smith

Treasurer: _____
Ron Thomsen

Dated this 22nd day of October 2012

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

Report on the Financial Report

I have audited the accompanying financial report of Peninsula Community Centre Inc. (the association) which comprises the statement of financial position as at 30 June, 2012, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporations Act (NSW) 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

Auditor's Opinion

In my opinion:

The financial report of Peninsula Community Centre Inc. is in accordance with the Associations Incorporation Act (NSW) 2009 including:

- (i) giving a true and fair view of the Association's financial position as at 30 June, 2012 and of their performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporations Act (NSW) 2009.

Name of Firm: Bishop Collins
Chartered Accountants

Name of Partner: _____
David McClelland

**Auditor's
Registration No.** 320260

Address: Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 22nd day of October 2012

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Katie Smith and I, Ron Thomsen certify that:

- (a) We are members of the committee of Peninsula Community Centre Inc..
- (b) We attended the annual general meeting of the association held on 13/11/2012.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Committee Member: _____
Katie Smith

Committee Member: _____
Ron Thomsen

Dated this 13th day of November 2012

**INDEPENDENT AUDITOR'S DISCLAIMER
TO THE MEMBERS OF PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

The additional financial data presented on the following pages is in accordance with the books and records of Peninsula Community Centre Inc. which have been subjected to auditing procedures applied in our statutory audit of the entity for the year ended 30 June, 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly we do not express an opinion on such financial data and no warrant of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm, nor any employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

Name of Firm: Bishop Collins
Chartered Accountants

Name of Partner: _____
David McClelland

**Auditor's Registration
No.** 320260

Address: Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated this 22nd day of October 2012

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

Note	2012 \$	2011 \$
INCOME		
Grants Received - Recurrent	5,006,151	4,819,751
Grants Received - Non Recurrent	220,987	241,075
Grants Revenue - Capital	6,000	-
Other Government Contributions	1,092,158	1,146,606
Service User Contributions	1,564,061	1,547,996
Other Fees & Charges Received	9,997	2,335
Room Hire Fees	134,822	116,013
	8,034,176	7,873,776
OTHER INCOME		
Dividends Received	59	103
Interest Received	114,416	73,631
Donations	887	1,160
Fundraising Income	1,590	1,265
Other Operating Income	85,063	101,434
Capital Gain(Loss) on Sale of Shares	1,729	-
Profit on Sale of Non-current Assets	7,437	10,073
	211,181	187,666
	8,245,357	8,061,442

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

Note	2012 \$	2011 \$
EXPENSES		
Loss on Sale of Non-current Assets	5,033	12,276
Advertising	20,485	21,400
Auditor's Remuneration	33,370	57,170
Bad Debts Written Off	4,882	23,648
Bank Charges	3,486	5,430
Capital Grants Spent	9,210	48,772
Carer Expenses	632,598	727,722
Building improvements written off	-	8,001
Cleaning & Sanitisation	41,252	35,814
Computer Expenses	68,327	65,677
Contractor Payments	1,512,623	1,261,578
Consultancy Fee	68,833	77,907
Depreciation and amortisation	123,059	130,631
Doubtful Debts	18,232	20,050
Electricity	45,956	28,953
Statutory Fees and Permits	7,066	1,368
Fringe Benefits Tax	28,281	34,206
Insurance - General	33,432	15,776
Interest Paid	3,634	-
Legal Costs	10,000	5,000
Materials and equipment	103,429	105,720
Motor Vehicle Expenses	93,247	114,508
Postage, Printing, Stationery & Photocopying	51,478	58,407
Staff Recruitment Expense	56,426	16,513
Redundancy and Termination Expense	47,581	142,022
Rates & Taxes	5,841	9,230
Assets purchased <\$5,000	94,742	38,156
Rent	36,418	41,635
Repairs & Maintenance	46,399	40,986
Security Costs	18,254	12,115
Service User Consumables and Services	103,351	98,865
Staff - Agency Temp Staff	55,150	4,151
Staff Training and Development	92,301	78,499
Staff - Health & Safety, Support and Supervision	10,415	8,168
Staff Travel and Meeting Expenses	15,816	7,468
Staff - Other Related Expenses	13,193	11,836
Subscriptions	22,262	14,679
Superannuation	319,952	312,503

The accompanying notes form part of these financial statements.

**PENINSULA COMMUNITY
CENTRE INC.
A.B.N. 52 114 400 301**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

Note	2012 \$	2011 \$
Telephone & Facsimile	44,823	54,881
Prior year unspent grants repayable to government	2,623	48,383
Volunteer Expenses	7,068	11,490
Salaries & Wages	3,804,401	3,779,762
Insurance - Workers Compensation	135,832	157,588
	<u>7,850,761</u>	<u>7,748,944</u>
Profit before income tax	<u><u>394,596</u></u>	<u><u>312,498</u></u>

The accompanying notes form part of these financial statements.