

**Community Activities Lake Macquarie Inc.**  
ABN 65 323 033 457

# **Financial Report**

**30 June 2018**

**Community Activities Lake Macquarie Inc.  
Financial Report – 30 June 2018**

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## Committee's report

Your committee members submit the financial report of Community Activities Lake Macquarie 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:

G Collins  
J Turnbull  
T Hardman  
P Cardew  
C Lawler  
M Kyrwood (Resigned on 18 October 2017)  
G Brownwell (Appointed on 18 October 2017)

### Principal activities

- (a) To be engaged in all necessary activities in the relief of social distress and deprivation in the Lake Macquarie area particularly with regard to:
- (i) Assisting families that are suffering from misfortune;
  - (ii) Provision of support services to underprivileged youth; and
- (b) At all times to carry out its activities in accordance with the Mission Statement.

### Significant Changes

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

### Review of operations

	2018	2017
	\$	\$
Net Profit/(loss)	<u>(39,805)</u>	<u>133,646</u>

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



Gary Collins

President



Patricia Cardew

Treasurer

Toronto  
24 October 2018

**Income and Expenditure Statement**

For the year ended 30 June 2018

	2018	2017
	\$	\$
<b>Income</b>		
Child care benefits	-	98,332
Child care fees	-	120,645
Donations	7,739	2,999
Grant – Belmont 16ft Sailing Club Ltd	-	2,880
Grant – Children’s services program	-	7,593
Grant – Community Builders	96,403	93,336
Grant – Department of Community Services	1,000	-
Grant – Department of Education & Training	82,200	62,500
Grant – Early Intervention & Placement	302,429	292,807
Grant – FRRR Grant	11,300	-
Grant – Lake Macquarie City Council	-	455
Grant – NSW Government Health	-	1,000
Grant – Suicide Prevention	69,870	69,870
Grant – Top Blokes Foundation	4,369	-
Grant – Youth Frontiers Program	81,000	87,665
Interest	4,705	1,937
Management and administration fees	259,723	204,305
Motor vehicle use	14,425	6,928
Recoupments	-	285
Rental income	775	2,718
Sale of goods and services	4,125	3,841
Sundry	573	-
Training Delivered	26,545	11,500
<b>Total Income</b>	<b>967,181</b>	<b>1,071,596</b>
<b>Expenses</b>		
Accounting fees	8,685	28,353
Advertising and promotion	6,634	3,616
Allowances	3,276	3,219
Assets purchases	1,425	-
Audit fees	5,120	4,960
Auspicing fees	159	155
Bank charges	728	514
Badges	48	160
Board governance expense	179	376
Cleaning and pest control	4,182	4,224
Client support services	9	-
Computer expenses	11,151	14,332
Consultancy fees	9,725	941
Credit card fees	-	6
Depreciation	29,743	25,781
Donation	500	675
Employment Support & Super	675	1,555
Equipment hire/lease	65	1,364
Fees and permits	4,410	489
Flowers and gifts	355	225
Health and safety	270	301
Insurance	17,940	18,584
Internet	1,506	1,846
Legal fees	-	413
Loss on sale of non-current assets	592	-
Management and administration fees	119,940	140,715
Meeting expenses	8,612	3,274
Membership and subscriptions	2,607	1,517

Community Activities Lake Macquarie Inc.

## Income and Expenditure Statement

For the year ended 30 June 2018 (continued)

Motor vehicle expenses	12,195	11,539
Postage, freight and couriers	744	1,032
Printing and stationery	4,087	6,173
Project support services	29,566	18,904
Publications and information	216	41
Rates and utilities	6,235	6,003
Recruitment	-	677
Refund – fees	1,457	467
Rent	25,961	30,172
Repairs and maintenance	4,400	3,040
Salaries and wages	657,771	581,602
Security expenses	470	606
Staff amenities	927	332
Telephone and fax charges	9,414	9,634
Training and development	11,825	8,287
Travel and accommodation	3,155	1,710
Volunteer costs	27	136
<b>Total Expenses</b>	<b>1,006,986</b>	<b>937,950</b>
<b>Net Profit/(loss) before income tax</b>	<b>(39,805)</b>	<b>133,646</b>
Income tax expense	-	-
<b>Net Profit/(loss)</b>	<b>(39,805)</b>	<b>133,646</b>

*The above income and expenditure statement should be read in conjunction with the accompanying notes.*

**Balance Sheet**

As at 30 June 2018

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	2	677,035	397,142
Trade and other receivables	3	4,523	61,562
Other	4	2,955	5,031
<b>Total current assets</b>		<b>684,513</b>	<b>463,735</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	67,912	100,246
<b>Total non-current assets</b>		<b>67,912</b>	<b>100,246</b>
<b>Total assets</b>		<b>752,425</b>	<b>563,981</b>
<b>Current liabilities</b>			
Trade and other payables	6	50,567	32,297
Interest bearing liabilities	7	65	1,064
Provisions	8	26,761	18,844
Other	9	193,700	-
<b>Total current liabilities</b>		<b>271,093</b>	<b>52,205</b>
<b>Non-current liabilities</b>			
Provisions	10	36,045	26,684
<b>Total non-current liabilities</b>		<b>36,045</b>	<b>26,684</b>
<b>Total liabilities</b>		<b>307,138</b>	<b>78,889</b>
<b>Net assets</b>		<b>445,287</b>	<b>485,092</b>
<b>Members' Funds</b>			
Retained profits	11	445,287	485,092
<b>Total Members' funds</b>		<b>445,287</b>	<b>485,092</b>

*The above balance sheet should be read in conjunction with the accompanying notes.*

Community Activities Lake Macquarie Inc.

## Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
<b>Total members' funds at the beginning of the financial year</b>		<b>485,092</b>	351,446
<b>Total recognised income and expense for the year</b>	11	<b>(39,805)</b>	133,646
<b>Total members' funds at the end of the financial year</b>	11	<b>445,287</b>	<b>485,092</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

## Notes to the Financial Statements

30 June 2018

### Note 1. Summary of significant accounting policies

This financial report is for Community Activities Lake Macquarie Inc. (the Association) and is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *NSW Associations Incorporation Act 2009*. 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) Income tax**

The association is exempt from income tax under Australian taxation laws in accordance with section 50-65 of the *Income Tax Assessment Act 1997*. The association is not liable for income tax therefore no provision is made.

**(b) Property, Plant and Equipment**

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

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

**(c) 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 recognised in the income and expenditure statement.

**(d) 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.

**(e) Provision**

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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of 3 months or less.

**(g) Trade and other receivables**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(h) 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.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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



**Notes to the Financial Statements**

30 June 2018 (continued)

**Note 1. Summary of significant accounting policies (continued)****(i) Leases**

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. 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.

**(j) 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 balance sheet.

**(k) Trade and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**Note 2. Current assets – Cash and cash equivalents**

	2018	2017
	\$	\$
Cash at bank and on hand	199,471	17,938
Cash Management account	368,002	272,100
Term deposits	109,562	107,104
Total cash and cash equivalents	<u>677,035</u>	<u>397,142</u>

**Note 3. Current assets – Trade and other receivables**

	2018	2017
	\$	\$
Trade debtors	4,149	61,188
Other receivables	374	374
	<u>4,523</u>	<u>61,562</u>

**Note 4. Current assets – Other**

	2018	2017
	\$	\$
Prepayments	<u>2,955</u>	<u>5,031</u>

**Note 5. Non-current assets – Property, plant and equipment**

	2018	2017
	\$	\$
<b>Plant and equipment</b>		
At cost	318,169	325,189
Less: Accumulated depreciation	<u>(250,257)</u>	<u>(224,943)</u>
Total plant and equipment	<u>67,912</u>	<u>100,246</u>

**Notes to the Financial Statements**

30 June 2018 (continued)

**Note 6. Current liabilities – Trade and other payables**

	2018	2017
	\$	\$
Trade creditors	10,450	11,149
Accruals	14,581	11,753
Net BAS payable	25,536	9,395
	<u>50,567</u>	<u>32,297</u>

**Note 7. Current liabilities – Interest bearing liabilities**

	2018	2017
	\$	\$
Credit card	65	1,064
	<u>65</u>	<u>1,064</u>

**Note 8. Current liabilities - Provisions**

	2018	2017
	\$	\$
Employee entitlements	26,761	18,844
	<u>26,761</u>	<u>18,844</u>

**Note 9. Current liabilities - Other**

	2018	2017
	\$	\$
Income in advance – Grants in advance	193,700	-
	<u>193,700</u>	<u>-</u>

**Note 10. Non-current liabilities - Provisions**

	2018	2017
	\$	\$
Employee entitlements	36,045	26,684
	<u>36,045</u>	<u>26,684</u>

**Note 11. Members' Funds**

	2018	2017
	\$	\$
<b>Retained profits</b>		
Retained profits at the beginning of the financial year	485,092	351,446
Net Profit/(loss)	(39,805)	133,646
Retained profits at the end of the financial year	<u>445,287</u>	<u>485,092</u>

Community Activities Lake Macquarie Inc.

## Statement 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 the financial report as set out on pages 1 to 8:

1. Presents a true and fair view of the financial position of Community Activities Lake Macquarie Inc. as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Community Activities Lake Macquarie 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:

  
Garry Collins

President



Patricia Cardew

Treasurer

Toronto  
24 October 2018

## Independent Audit Report to the Members of Community Activities Lake Macquarie Inc.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report as set out on pages 1 to 9, being a special purpose financial report, of Community Activities Lake Macquarie Inc. (the Association), which comprises the committee's report, the income and expenditure statement for the year 30 June 2018, the balance sheet as at 30 June 2018, the statement of changes in equity as at 30 June 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, the financial report gives a true and fair view, in all material respects, the financial position of Community Activities Lake Macquarie Inc. as at 30 June 2018 and 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 *NSW Associations Incorporation Act 2009*.

#### 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 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 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the *NSW Associations Incorporation Act 2009*. 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 *NSW Associations Incorporation Act 2009* 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 relating 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.

#### 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.

**Independent Auditor's report to the Members  
of Community Activities Lake Macquarie Inc. (continued)**

**Auditor's Responsibilities for the Audit of the Financial Report (continued)**

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.



Ben McEwan  
Registered Company Auditor

Newcastle  
24 October 2018

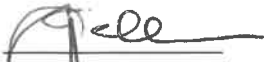
McEwan and Partners Pty Ltd  
Chartered Accountants

Community Activities Lake Macquarie Inc.

## Certificate by the Members of the Committee

I, Garry Collins of 12 Biddabah Avenue, Warners Bay, NSW 2282 and I, Patricia Cardew of 123 Glad Gunson Drive, Ellebana, NSW 2283 and certify that:

- (a) I attended the annual general meeting of the association held on 24 October 2018.
- (b) The financial statements for the year ended 30 June 2018 were submitted to the members of the association at its annual general meeting.



Garry Collins  
President



Patricia Cardew  
Treasurer

Toronto  
24 October 2018