

12<sup>th</sup> October, 2016

David Hartmann  
Hartmann Auditors Pty Ltd  
PO Box 246  
SPRINGWOOD QLD 4127

Dear Sirs,

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other officers of the association, the following representations, which are given to you in connection with your audit of the financial statements of the association for the year ended 30<sup>th</sup> June, 2016, and in accordance with the requirements of the Associations Incorporation Act.

**GENERAL**

*Completeness of Information*

1. We confirm that we have made available to you:
  - (a) All accounting records and supporting documents, information and explanations necessary for an understanding of the nature of transactions entered into, the assets owned, and the liabilities and commitments incurred, by the association.
  - (b) Complete minutes of all meetings to the date of this letter.

*Compliance with regulations and contractual agreements*

2. We are not aware of any breaches of regulations which might result in the association suffering significant penalties or other loss.
3. The association has complied with all aspects of agreements that would have a material effect on the accounts in the event of non-compliance.

*Accounting Policies*

4. All significant accounting policies are described in Note 1 to the financial statements and have been consistently applied.

*Fraud and error*

5. We are not aware of any material misappropriation of assets or intentional misrepresentation of financial information of one or more individuals among management, employees, or third parties, and neither were we aware of any unintentional mistakes in financial information that have not been corrected.

**ASSETS**

*General*

6. All assets included in the balance sheet and free from any lien, encumbrance or charge, except as disclosed in the financial statements. The balance sheet includes all tangible assets owned by the association.

*Land, buildings, plant and equipment*

7. The net book amounts at which the premises, plant and equipment are stated in the balance sheet are arrived at:
  - (a) After taking into account all capital expenditure or additions thereto, but no expenditure properly charged to revenue;
  - (b) After eliminating the cost and accumulative depreciation related to items sold or scrapped;
  - (c) After providing for depreciation and obsolescence on bases and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful lives have been realistically estimated.
8. At the balance sheet date contractual commitments entered into for purchase of fixed assets amount in total to nil.

*Other current assets*

9. On realisation in the ordinary course of the association's business the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. In particular, adequate provision has been made against all amounts owing to the association which are known, or may be expected, to be irrecoverable.

## **LIABILITIES**

### *General*

10. All known liabilities at balance sheet date have been recorded in the accounting records.

### *Provisions for losses*

11. Appropriate provisions have been made for all significant losses capable of being estimated with reasonable accuracy which are now expected to result from commitments contingent liabilities and other events which had occurred by the balance sheet date.

### *Contingent liabilities*

12. All material contingent liabilities have been appropriately disclosed in the financial statements other than those where the possibility of losses arising is remote.
13. We have no plans or intentions that may materially affect the book value of any assets or liabilities.

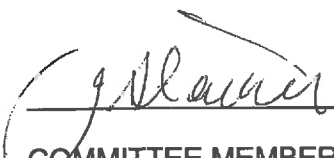
## **RESULTS**


14. Except those disclosed in the financial statements, the results for the year were not materially affected by:
  - (a) Any change on the basis of accounting;
  - (b) Circumstances of an extraordinary nature;
  - (c) Charges or credits relating to prior years.

**EVENTS SINCE THE BALANCE SHEET DATE**

15. No events have occurred since the balance sheet date which would require adjustment to or disclosure in the financial statements or which should be disclosed through some other medium other than those already disclosed in the financial statements.

**SHERWOOD NEIGHBOURHOOD CENTRE INC.**

  
\_\_\_\_\_  
COMMITTEE MEMBER

  
\_\_\_\_\_  
COMMITTEE MEMBER

# **Sherwood Neighbourhood Centre Inc.**

## **Annual Report for the Year Ended 30 June 2016**

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**Sherwood Neighbourhood Centre Inc.**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2016**

	2016	2015
	\$	\$
<b>Income</b>		
Bus Hire	1,617	4,955
CAP Tenancy Management Fees	-	11,187
Donations	5,021	2,682
Fees and Charges	2,951	5,496
Grants	271,381	281,430
Hall Hire	47,692	43,386
Interest Received	2,226	1,771
Key Deposit	45	403
Members Fees	428	791
Rent	55,313	61,215
Sale of Goods	4,682	5,134
Fundraising Income	11,026	-
	402,382	418,450
<b>Expenditure</b>		
Audit Fees	6,227	6,300
Bank Charges	1	73
BCC Recreation Programs	3,500	4,866
Bookkeeping Services	24,300	10,226
Cleaning and Pest Control	8,201	8,709
Client Support Services	2,185	1,624
Client Support Consumables	1,771	1,113
Computer Expenses	2,296	2,193
Consultants Fees	672	2,000
Depreciation - Motor Vehicles	2,067	4,631
Donations	200	-
Electricity Cap Houses	-	1,040
Emergency Relief	21,749	26,698
Fees & Permits	1,656	1,692
Fundraising Expenses	7,656	-
Insurance	6,730	6747
Meeting & Function Expenses	2,128	1,776
Minor Equipment Purchases	2,842	1,574
Motor Vehicle Expenses	5,741	7,169
Office Expenses	100	310
Payroll Costs	10,026	16065

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2016**

	2016	2015
	\$	\$
Postage and Delivery	131	174
Printing & Stationery	1,545	1,580
Property Management Fee	-	11,187
Rates & Taxes	2,554	2,487
Rent	11,682	14,337
Repairs & Maintenance	13,215	2,821
Salaries & Wages	207,880	224,059
Staff Amenities	310	409
Sundry Expenses	-	470
Superannuation Contributions	19,714	21,630
Telephone	3,783	3,230
Tenancy Centrepay Fees for rent	164	127
Training & Development - Staff	3,100	235
Travelling Expense	109	122
Utilities - Electricity and Gas	6,934	8,993
Water Rates	4,220	4,062
Workcover	5,127	7,276
	<u>390,516</u>	<u>408,005</u>
<b>Surplus for the year</b>	<u><u>11,866</u></u>	<u><u>10,445</u></u>

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.**  
**Balance Sheet**  
**As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		148,108	107,094
Trade and Other Receivables	3	5,066	19,545
<b>Total Current Assets</b>		<u>153,174</u>	<u>126,639</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	8,933	11,000
<b>Total Non-Current Assets</b>		<u>8,933</u>	<u>11,000</u>
<b>Total Assets</b>		<u>162,107</u>	<u>137,639</u>
<b>Current Liabilities</b>			
Trade and Other Payables	5	6,221	7,697
Short-Term Financial Liabilities	6	20,831	17,446
Provisions	7	27,894	18,682
<b>Total Current Liabilities</b>		<u>54,946</u>	<u>43,825</u>
<b>Non-Current Liabilities</b>			
Provisions	7	12,315	10,834
<b>Total Non-Current Liabilities</b>		<u>12,315</u>	<u>10,834</u>
<b>Total Liabilities</b>		<u>67,261</u>	<u>54,659</u>
<b>Net Assets</b>		<u>94,846</u>	<u>82,980</u>
<b>Equity</b>			
Retained Profits		94,846	82,980
<b>Total Equity</b>		<u>94,846</u>	<u>82,980</u>

*The accompanying notes form part of these financial statements.*



**Sherwood Neighbourhood Centre Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Qld). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

**(a) 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 balance sheet.

**(b) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(c) 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.

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

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

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

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

Office Equipment	5-20%
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Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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(e) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income and expenditure statement.

(f) **Leases**

Leases of fixed assets, 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 recognising 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 the period.

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

(g) **Revenue and Other Income**

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

(h) **Trade Payables**

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms and do not bear interest.

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

	2016	2015
	\$	\$
<b>2. Profit</b>		
<b>Expenses</b>		
Employee Benefits Expense	227,594	224,059
Depreciation and Amortisation	2,067	4,631
Bank Charges	1	69
Insurance	6,730	5,232
Postage and Delivery	131	174
Printing & Stationery	1,545	1,580
Rates & Taxes	2,554	2,487
Rent	11,682	14,337
Repairs & Maintenance	13,215	2,821
Telephone	3,783	3,162
Other Expenses	117,714	144,587
	<u>387,016</u>	<u>403,139</u>
<b>3. Trade and Other Receivables</b>		
<b>Current</b>		
Lottery	-	6,000
Accounts Receivable	5,066	13,545
	<u>5,066</u>	<u>19,545</u>
<b>Total Trade and Other Receivables</b>	<u>5,066</u>	<u>19,545</u>
<b>4. Property, Plant and Equipment</b>		
<b>Plant and Equipment</b>		
Plant & Equipment	169,177	169,177
Less Accumulated Depreciation & Impairment	160,244	158,177
	<u>8,933</u>	<u>11,000</u>
<b>Total Plant and Equipment</b>	<u>8,933</u>	<u>11,000</u>
<b>Total Property, Plant and Equipment</b>	<u>8,933</u>	<u>11,000</u>
<b>5. Trade and Other Payables</b>		
<b>Current</b>		
Key Deposits	-	140
Accounts Payable	6,071	7,557

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

	2016	2015
	\$	\$
Staff Social Club Funds	150	-
<b>Total Trade and Other Payables</b>	<b>6,221</b>	<b>7,697</b>
 <b>6. Financial Liabilities</b>		
<b>Current</b>		
BAS Liabilities Payable	3,479	11,024
Client Savings	210	340
PAYG Withholding Payable	5,224	453
ANZ Visa	2,046	79
Accrued Expenses	9,872	5,550
	<b>20,831</b>	<b>17,446</b>
<b>Total Financial Liabilities</b>	<b>20,831</b>	<b>17,446</b>
 <b>7. Provisions</b>		
<b>Current</b>		
Provision for Holiday Pay	22,658	14,113
Superannuation Payable	5,236	4,569
	<b>27,894</b>	<b>18,682</b>
 <b>Non-Current</b>		
Provision for Long Service Leave	12,315	10,834
	<b>12,315</b>	<b>10,834</b>

*The accompanying notes form part of these financial statements.*

**Sherwood Neighbourhood Centre Inc.  
Statement by Members of the Committee**


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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 as set out in the accompanying financial report:

1. Presents a true and fair view of the financial position of Sherwood Neighbourhood Centre Inc. as at 30 June 2016 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Sherwood Neighbourhood 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:

 Janet Harris  
.....  
Committee Member

 .....  
Committee Member

GEOFF KING  
TREASURER

Dated: 12<sup>th</sup> October, 2016

**Sherwood Neighbourhood Centre Inc.**  
**Independent Auditor's Report**  
**to the Members of**  
**Sherwood Neighbourhood Centre Inc.**

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We have audited the accompanying financial report, being a special purpose financial report, of Sherwood Neighbourhood Centre Inc. (the association), which comprises the committee's report, the assets and liabilities statement as at 30 June 2016, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Sherwood Neighbourhood Centre Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act (Qld) and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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 association's preparation of the financial report that gives a true and fair view, 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. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report of Sherwood Neighbourhood Centre Inc. presents fairly, in all material respects, the financial position of Sherwood Neighbourhood Centre Inc. as at 30 June 2016 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 Associations Incorporation Act (Qld).

**Sherwood Neighbourhood Centre Inc.  
Independent Auditor's Report  
to the Members of  
Sherwood Neighbourhood Centre Inc.**

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**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sherwood Neighbourhood Centre Inc. to meet the requirements of the Associations Incorporation Act (Qld). As a result, the financial report may not be suitable for another purpose.

*D. O. Hartmann*

David Hartmann FCA  
Hartmann Auditors Pty Ltd

Dated this *12th* day of *October*.....2016