



**Carlton Neighbourhood Learning Centre Inc.**

**ABN 25 717 084 481**

## **Annual financial report**

**For the year ended 31 December 2021**

**Carlton Neighbourhood Learning Centre Inc.**

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ABN 25 717 084 481

**Annual financial report**

**For the year ended 31 December 2021**

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**Carlton Neighbourhood Learning Centre Inc.**  
**Statement of comprehensive income**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Income</b>			
Government grants and subsidies	2	1,038,690	1,378,939
Other grants and contributions		134,370	31,222
Fee income		12,652	10,324
Interest		2,986	6,428
Other income	3	3,772	16,203
<b>Total income</b>		<b>1,192,470</b>	<b>1,443,116</b>
<b>Expenditure</b>			
Employee benefits expense		842,817	953,391
Contractors and consultants		43,284	27,293
Depreciation and amortisation expense		15,298	39,744
Equipment / I.T. expenses		26,182	28,844
Occupancy costs		51,231	61,977
Program / project supplies		42,972	34,726
Other expenses	4	64,311	58,152
<b>Total expenditure</b>		<b>1,086,095</b>	<b>1,204,127</b>
<b>Net result for the year</b>		<b>106,375</b>	<b>238,989</b>
<b>Other comprehensive income (expense)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>106,375</b>	<b>238,989</b>

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

**Carlton Neighbourhood Learning Centre Inc.**  
**Statement of financial position**  
**As at 31 December 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	732,632	717,442
Receivables	6	79,303	55,900
<b>Total current assets</b>		<b>811,935</b>	<b>773,342</b>
<b>Non-current assets</b>			
Security deposits		250	250
Property, plant and equipment	7	29,014	26,113
Intangible assets	8	2,441	5,103
<b>Total non-current assets</b>		<b>31,705</b>	<b>31,466</b>
<b>Total assets</b>		<b>843,640</b>	<b>804,808</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	9	77,450	104,979
Provisions	10	138,924	112,935
Income received in advance	11	41,032	82,510
<b>Total current liabilities</b>		<b>257,406</b>	<b>300,424</b>
<b>Non-current liabilities</b>			
Provisions	10	5,661	30,186
<b>Total non-current liabilities</b>		<b>5,661</b>	<b>30,186</b>
<b>Total liabilities</b>		<b>263,067</b>	<b>330,610</b>
<b>Net assets</b>		<b>580,573</b>	<b>474,198</b>
<b>Equity</b>			
Retained surplus		580,573	474,198
<b>Total equity</b>		<b>580,573</b>	<b>474,198</b>

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

**Carlton Neighbourhood Learning Centre Inc.**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	Note	Retained surplus \$	Total \$
<b>Balance at 1 January 2020</b>		<b>235,209</b>	<b>235,209</b>
Net result for the year		238,989	238,989
<b>Balance at 31 December 2020</b>		<b>474,198</b>	<b>474,198</b>
Net result for the year		106,375	106,375
<b>Balance at 31 December 2021</b>		<b>580,573</b>	<b>580,573</b>

**Carlton Neighbourhood Learning Centre Inc.**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	Note	2021	2020
		\$	\$
<b>Cash flow from operating activities</b>			
Government grants and subsidies (inclusive of GST)		1,065,683	1,442,888
Other receipts (inclusive of GST)		138,584	58,978
Employee benefits paid		(847,070)	(923,065)
Payments to suppliers and other (inclusive of GST)		(276,555)	(214,060)
Interest received		3,182	5,016
Net GST paid to ATO		(53,097)	(67,522)
<b>Net cash provided by operating activities</b>	12	<b>30,727</b>	<b>302,235</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(15,537)	(9,225)
<b>Net cash used in investing activities</b>		<b>(15,537)</b>	<b>(9,225)</b>
<b>Net change in cash held</b>		<b>15,190</b>	<b>293,010</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>717,442</b>	<b>424,432</b>
<b>Cash and cash equivalents at end of year</b>	5	<b>732,632</b>	<b>717,442</b>

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

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 1. Statement of significant accounting policies**

The financial statements cover Carlton Neighbourhood Learning Centre Inc. ('CNLC') as an individual entity. CNLC is an association incorporated and domiciled in Victoria operating pursuant to the *Associations Incorporation Reform Act 2012 (Victoria)*, and is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

**Basis of preparation**

The Committee of Governance of CNLC has determined that the association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to a 'tier three association' under the *Associations Incorporation Reform Act 2012* and a 'large charity' under the *Australian Charities and Not-for-profits Commission Act 2012*. CNLC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, apart from cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated.

*Use of judgments and estimates*

The preparation of the association's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Estimates and assumptions are based on historical experience, best available current information and reasonable expectations of future events. Actual results may differ from estimates.

*New and amended accounting standards*

The association has applied Australian Accounting Standards that are mandatory for the current reporting period. There are no new or amended standards which became effective during the period that have a significant impact on the association's financial statements.

**Accounting policies**

The following material accounting policies have been applied in preparing the financial statements for the year ended 31 December 2021 and the comparative information for the year ended 31 December 2020.

**(a) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the association, and where specific performance obligations exist, those obligations have been satisfied. Revenue is measured at the fair value of the consideration received or receivable. Specific revenues are recognised as follows:

CNLC receives grants to support its programs and projects. Where grant agreements are enforceable and have sufficiently specific performance obligations, revenue is deferred and first recognised as a liability in the statement of financial position (income received in advance) until such obligations are met, then recognised as revenue in the statement of comprehensive income as performance occurs in accordance with grant requirements. Grants are otherwise recognised as revenue when control of the underlying assets received or receivable has been obtained and it is probable that the economic benefits will flow to the entity.

Other contributions are recognised as revenue when the entity obtains control over the funds and it is probable that the economic benefits will flow to the entity, unless there are conditions attached in which case a liability may be recognised at year end to the extent that conditions remain unsatisfied.

Fees are recognised as revenue when the related service is provided.

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

**(b) Cash and cash equivalents**

Cash and cash equivalents comprise at-call and term deposits held with financial institutions and cash on hand.

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(c) Receivables**

Receivables comprise trade and other short-term amounts owing to the association. Receivables are recognised and carried at the nominal amounts due for settlement less any impairment losses.

**(d) Property, plant and equipment**

Each class of fixed asset is carried at cost or fair value less accumulated depreciation and any impairment losses. The carrying amount of physical assets is reviewed annually to ensure it is not materially in excess of the recoverable amount from these assets.

Fixed assets that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

**Depreciation**

Fixed assets are capitalised and depreciated on a diminishing-balance or straight-line basis, depending on the asset, over their useful lives commencing from the time the asset is held ready for use.

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

<u>Class of property, plant and equipment</u>	<u>Depreciation rate</u>
Buildings	3-10%
Leasehold improvements	15-33%
Furniture and equipment	15-33%

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

**(e) Intangible assets**

Intangible assets are carried at cost or fair value less any accumulated amortisation and impairment losses. Intangible assets that have been contributed at no cost, or a nominal cost, are valued at the fair value of the asset at the date it is acquired.

**Amortisation**

Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets from the date they are available for use.

The estimated useful lives for each class of intangible assets are:

<u>Class of intangible asset</u>	<u>Useful life</u>
Licences and permits	5 years

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

**(f) Leases (the entity as lessee)**

At inception of a contract, the association assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less), leases of low value assets, and concessionary leases (described below) which the association deems are of immaterial cost to be capitalised, are recognised as an operating expense on a straight-line basis over the term of the lease.

Where a lease is present, the lease liability is initially measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.



**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(f) Leases (the entity as lessee) continued**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**Concessionary leases**

For leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives (commonly known as peppercorn/concessionary leases), the entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition, or otherwise assesses the cost for materiality and if deemed immaterial recognises the annual lease amounts as operating expenses as they occur. Refer also Note 13 below.

**(g) Impairment of assets**

The association assesses the carrying amounts of its fixed assets at the end of each reporting period for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated, and any excess of the asset's carrying value over its recoverable amount is recognised as an impairment loss.

Impairment losses are expensed to the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through the statement of comprehensive income.

The recoverable amount for assets is recognised at either the present value of estimated future cash flows, fair value less costs to sell or depreciated replacement cost, depending on the asset.

**(h) Payables**

Payables represent trade and other short-term liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. Payables are stated at cost.

**(i) Provisions**

Provisions are made 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. The amounts recognised represent an estimate of the obligations as at the end of the reporting period.

**(j) Income received in advance**

Income received in advance represents liabilities for amounts received by the association in advance of the related delivery of goods or services, for which contractual obligations exist. Refer also *Note 1 (a) Revenue*.

**(k) Employee benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. These benefits include salaries and wages, annual leave and long service leave.

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, including related on-costs. 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.

Employee benefits expense comprises salaries and wages, changes to leave provisions, superannuation and workcover insurance. Superannuation Guarantee Contributions are made by the entity to employee-nominated superannuation funds and are charged as expenses when incurred.

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**(l) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for investing and financing activities, the GST component of which is disclosed as part of operating cash flow.

**(m) Income tax**

CNLC is endorsed as an income tax exempt charity under Division 50 of the Income Tax Assessment Act 1997.

**(n) Comparative figures**

Where necessary, comparative figures have been adjusted for consistency with current year classifications.

**Note 2. Income from government grants and subsidies**

	2021	2020
	\$	\$
Department of Health (Commonwealth)	-	8,129
Department of Home Affairs (Commonwealth)	-	3,300
Department of Industry, Innovation and Science (C'wealth)	7,125	4,875
Department of Education and Training (State)		
- Adult, Community and Further Education (ACFE) subsidies	94,519	97,053
- Adult, Community and Further Education (ACFE) other grants	5,500	9,500
- Skills First Program subsidies	164,460	227,966
- Skills First COVID-19 Response Business Continuity grants	30,908	18,632
Department of Health and Human Services (DHHS)		
- Neighbourhood House Coordination Program	124,457	118,985
- Home and Community Care Program	16,539	16,202
Business Victoria COVID-19 Business Support / Cost Assistance grants *	68,112	10,000
City of Melbourne		
- Community Funding (Core)	100,000	100,000
- Other program / project funding	92,170	106,675
- COVID-19 Response grants	-	5,000
City of Yarra		
- Neighbourhood House Funding	79,995	78,817
- Other program / project funding	1,000	-
Melbourne Polytechnic	126,553	77,893
Adult Multicultural Education Services (AMES)	82,002	91,112
Other grants	2,000	-
Australian government COVID-19 financial assistance *		
- Cash Flow Boost	-	100,000
- JobKeeper subsidies	43,350	304,800
<b>Total government grants and subsidies</b>	<b>1,038,690</b>	<b>1,378,939</b>

\* Refer Note 14 below.

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 3. Other income**

	2021	2020
	\$	\$
Recoupments	2,580	13,988
Room hire	191	2,151
All other income	1,001	64
<b>Total other income</b>	<b>3,772</b>	<b>16,203</b>

**Note 4. Other expenses**

	2021	2020
	\$	\$
Advertising and promotion	15,148	9,701
Audit fees	3,000	2,750
Communications	12,557	14,932
Fees, permits and memberships	3,936	2,690
Governance and meeting expenses	1,502	1,731
Loss on disposal / write-off of assets	-	6,046
Other staffing-related costs	9,735	2,571
Printing and stationery	12,048	11,678
Travel expenses	736	2,196
All other expenses	5,649	3,857
<b>Total other expenses</b>	<b>64,311</b>	<b>58,152</b>

**Note 5. Cash and cash equivalents**

	2021	2020
	\$	\$
Cash at bank (at-call)	161,611	189,614
Term deposits	570,295	527,390
Cash on hand	726	438
<b>Total cash and cash equivalents</b>	<b>732,632</b>	<b>717,442</b>

**Note 6. Receivables**

	2021	2020
	\$	\$
Accounts receivable	39,280	35,924
Grants in arrears	38,252	17,101
Accrued interest income	1,392	1,588
Prepayments	379	1,287
<b>Total receivables</b>	<b>79,303</b>	<b>55,900</b>

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 7. Property, plant and equipment**

	2021	2020
	\$	\$
<b>Buildings</b>		
At cost / fair value	43,153	43,153
Accumulated depreciation	(43,153)	(43,153)
<b>Total buildings</b>	-	-
<b>Furniture and equipment</b>		
At cost / fair value	90,571	75,034
Accumulated depreciation	(65,470)	(54,707)
<b>Total furniture and equipment</b>	<b>25,101</b>	<b>20,327</b>
<b>Leasehold improvements</b>		
At cost / fair value	87,209	87,209
Accumulated amortisation	(83,296)	(81,423)
<b>Total leasehold improvements</b>	<b>3,913</b>	<b>5,786</b>
<b>Total property, plant and equipment</b>	<b>29,014</b>	<b>26,113</b>

**Movements in carrying amounts**

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

	Buildings	Furniture & equip't	Leasehold improve-ments	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2020</b>	<b>19,091</b>	<b>26,591</b>	<b>14,333</b>	<b>60,015</b>
Additions at cost	-	9,225	-	9,225
Disposals	-	(4,014)	(2,032)	(6,046)
Depreciation expense	(19,091)	(11,475)	(6,515)	(37,081)
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>20,327</b>	<b>5,786</b>	<b>26,113</b>
Additions at cost	-	15,537	-	15,537
Depreciation expense	-	(10,763)	(1,873)	(12,636)
<b>Carrying amount at 31 December 2021</b>	<b>-</b>	<b>25,101</b>	<b>3,913</b>	<b>29,014</b>

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 8. Intangible assets**

	2021	2020
	\$	\$
Licences and permits: *		
At cost / fair value	13,313	13,313
Accumulated amortisation	(10,872)	(8,210)
Net carrying value	2,441	5,103
<b>Total intangible assets</b>	<b>2,441</b>	<b>5,103</b>

\* Represents fees paid to the Victorian Registration and Qualifications Authority during the year, associated with renewal of CNLC's Registered Training Organisation status for a five year period from December 2017 to November 2022.

**Movements in carrying amounts**

Movement in carrying amounts for each class of intangible asset:

	Licences and permits	Total
	\$	\$
<b>Balance at 1 January 2020</b>	<b>7,766</b>	<b>7,766</b>
Amortisation charge	(2,663)	(2,663)
<b>Balance at 31 December 2020</b>	<b>5,103</b>	<b>5,103</b>
Amortisation charge	(2,662)	(2,662)
<b>Carrying amount at 31 December 2021</b>	<b>2,441</b>	<b>2,441</b>

**Note 9. Payables**

	2021	2020
	\$	\$
Accounts payable	2,317	51,014
Accrued expenses	27,045	7,715
Goods and Services Tax payable	10,532	2,982
Pay-As-You-Go Withholding Tax payable	13,575	16,761
Salaries and wages payable	12,145	8,714
Superannuation payable	11,696	17,658
Other	140	135
<b>Total Payables</b>	<b>77,450</b>	<b>104,979</b>

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 10. Provisions**

	2021	2020
	\$	\$
<b>Current</b>		
Employee benefits		
-- Annual leave	50,742	46,587
-- Long-service leave	88,182	66,348
<b>Total current</b>	<b>138,924</b>	<b>112,935</b>
<b>Non-current</b>		
Employee benefits		
-- Long-service leave	5,661	30,186
<b>Total non-current</b>	<b>5,661</b>	<b>30,186</b>
<b>Total provisions</b>	<b>144,585</b>	<b>143,121</b>

**Note 11. Income received in advance**

	2021	2020
	\$	\$
Government and non-government funding in advance	41,032	82,510
<b>Total income received in advance</b>	<b>41,032</b>	<b>82,510</b>

**Note 12. Cash flow information**

	2021	2020
	\$	\$
<b>Reconciliation of net result from statement of comprehensive income to cash flow from operating activities</b>		
Net result for the year	106,375	238,989
Non-cash items in net result		
Depreciation and amortisation	15,298	39,744
Net loss on disposal / write-off of property, plant and equipment	-	6,046
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(23,403)	(10,467)
(Increase) decrease in security deposits	-	(250)
Increase (decrease) in payables	(27,529)	44,596
Increase (decrease) in provisions	1,464	23,456
Increase (decrease) in income received in advance	(41,478)	(39,879)
<b>Net cash (used in) provided by operating activities</b>	<b>30,727</b>	<b>302,235</b>

**Carlton Neighbourhood Learning Centre Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**Note 13. Operating lease commitments**

In 2020 the association entered into a peppercorn lease arrangement on its business premises covering a five-year term from May 2020 to April 2025 inclusive, with a nominal rental of \$1,200 per annum plus annual increments of 3%, for a total lease commitment over the period of \$6,371. The remaining lease commitment at balance date was \$3,935 (2020: \$5,171). The association is dependent on this lease to further its objectives.

The association has deemed the lease costs as sufficiently minor to recognise the annual lease amounts as *occupancy costs* in the statement of comprehensive income as they occur, in accordance with the association's accounting policy as outlined in Note 1.

**Note 14. COVID-19 impact**

The association's operating circumstances during the year continued to be impacted by the coronavirus (COVID-19) outbreak, including for the effect of government lockdowns and related restrictions.

The impact of COVID-19 for the year has been reflected in these financial statements. CNLC experienced constraints in its operating revenue capacity, including from revisions to scheduled activity, and adjustments to overall service delivery. This was offset by Victorian and Australian Government COVID-19 financial assistance, which the association qualified for and received during the year. This support allowed the organisation to retain its operating capacity and continue to directly support the community, as well as help maintain the organisation's overall financial stability.

Activity levels were gradually restored in the latter stages of the year as government restrictions eased and are expected to further return to more normalised levels in line with improvements in the operating environment. Notwithstanding, management continues to assess the current and potential implications of COVID-19 for the association, and invest in the association's capacity to adjust its service delivery and respond to future disruptions.

Management believes the organisation has sufficient reserves to underwrite operations for a reasonable period and expects that any ongoing operating risks will continue to be mitigated by commensurate adjustments to activities in response, plus the possibility of targeted support from government and funding partners, and accordingly believes the association will be able to meet its ongoing obligations.

**Government COVID-19 financial assistance**

CNLC has received financial support under both the Victoria and Australian Government's COVID-19 assistance packages. These funding measures were implemented to assist eligible business and not-for-profit organisations significantly affected by COVID-19. Refer Note 2 above for details of amounts received during the year.

CNLC was required to self-assess its eligibility and meet prescribed reporting requirements under government guidelines in order to receive the funding support. Entitlement to the funding is subject to possible government audit by the Victorian or Australian governments as part of their compliance activities.

**Note 15. Events after the reporting period**

Except as disclosed in Note 14, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CNLC, the results of those operations, or the state of affairs of CNLC in subsequent financial years.

**Carlton Neighbourhood Learning Centre Inc.  
Declaration by members of the committee  
For the year ended 31 December 2021**

In accordance with a resolution of the members of the Committee of Governance of Carlton Neighbourhood Learning Centre Inc. ("CNLC"), the Committee declares that:

In the opinion of the Committee:

1. The financial statements and notes, as set out on pages 1 to 13, satisfy the requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - a. complying with the Australian Accounting Standards applicable to the entity and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - b. giving a true and fair view of the financial position of CNLC as at 31 December 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that CNLC will be able to pay all of its debts as and when they become due and payable.

On behalf of the Committee of Governance of CNLC,

Signed:   
\_\_\_\_\_  
Denise Patience (Chair)

Signed:   
\_\_\_\_\_  
Carlo Zabotto (Treasurer)

Dated this 2 day of May 2022



To the members of Carlton Neighbourhood Learning Centre Inc.:

## **Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report of the Carlton Neighbourhood Learning Centre Inc. (the association), which comprises of the balance sheet as at 31<sup>st</sup> December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee's report.

## **Committee's responsibility for the financial report**

The committee of the association 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 Reform Act 2012* and *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). 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 judgement, 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 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.

## **Independence**

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

## **Auditor's opinion**

In our opinion the financial report of the association has been prepared in accordance with the *Association Incorporation Reform Act 2012 and Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* including:

- a) giving a true and fair view of the entity's financial position as at 31<sup>st</sup> December 2021 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

## **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 Carlton Neighbourhood Learning Centre Inc. to meet the requirements of the *Associations Incorporation Reform Act 2012 and Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*. As a result the report may not be suitable for another purpose.



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**Stephen George Le Couilliard**  
**ASIC Registered Company Auditor No:8579**  
**J P Hardwick & Associates**  
**Unit 7, 617-643 Spencer Street**  
**West Melbourne Vic 3003**  
**19<sup>th</sup> April 2022**