

LEONGATHA COMMUNITY
HOUSE INC.

A0001136L

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

LEONGATHA COMMUNITY HOUSE INC.

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INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
INCOME		
DHS/NHCP funding	104,291	99,640
Operational income:		
- Hire – Room	2,295	2,881
Donations/gift income:		
- Community/public	41	1,064
- Tea/coffee	50	227
- User groups	2,172	2,521
Classes	6,106	7,507
Interest income	792	1,273
Grants:		
- Digital Literacy	-	1,500
- Disability Action	455	500
- iPads Shire	4,182	-
- Victorian Government – Small Business Grant	4	10,000
Maxima – Simon Wages	1,650	-
Cash Flow Boost	4	20,000
JobKeeper Subsidy	4	9,000
Total income	132,534	156,113
EXPENDITURE		
Advertising & marketing	1,914	2,476
Administration	849	524
After school assistance	963	-
Bank fees	8	27
Bookkeeping	1,100	1,050
Catering	597	38
Cleaning expenses	1,838	409
Computer/IT expenses	1,157	1,856
Conferences & seminars	-	1,338
Consultancy	1,560	-
Depreciation Expense	4,399	2,407
Electricity expenses	1,368	2,284
Gardening	1,085	333
General repairs & maintenance	1,175	2,113
Gifts	203	-
House equipment	-	11
House supplies	3,033	1,209
Insurance expense	374	362
Office supplies	536	651
Police checks	134	-
Program/events expenses	5,231	4,779
Refunds	200	68
Rent/rates	863	849
Subscriptions/membership fees	618	900

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FOR THE YEAR ENDED 30 JUNE 2021

EXPENDITURE (continued)	2021	2020
Telephone expense	5,397	3,574
Travel Expenses	7	-
Tutor fees	8,924	5,389
Payroll expenses:		
- Wages & salaries	77,504	65,386
- Workcover premium	516	525
- Superannuation	7,210	6,043
- Annual leave provision expense	(2,864)	771
- Long Service Leave expense	1,108	732
- Casual wages	138	-
Total expenditure	127,145	106,104
Net surplus for the financial year	5,389	50,009

The accompanying notes form part of this financial report.

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BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
CURRENT ASSETS			
Cash on hand		95	95
Cheque account		6,589	45,969
Community Card Account		789	724
Term deposit # 1		34,023	33,536
Term deposit # 2		21,618	21,492
Term Deposit # 3		15,381	15,202
Term Deposit # 4		55,000	-
Total cash		133,495	117,018
Accounts receivable		-	45
JobKeeper Subsidy receivable	4	-	3,000
Cash Flow Boost receivable	4	-	10,000
Total receivables		-	13,045
TOTAL CURRENT ASSETS		133,495	130,063
NON-CURRENT ASSETS			
Property, plant & equipment	3	14,984	12,082
TOTAL NON-CURRENT ASSETS		14,984	12,082
TOTAL ASSETS		148,479	142,145
CURRENT LIABILITIES			
GST payable		2,283	2,471
Sundry creditors		2,400	-
PAYG withholding payable		4,545	2,947
Annual leave provision		677	3,542
TOTAL CURRENT LIABILITIES		9,905	8,960
TOTAL LIABILITIES		9,905	8,960
NET ASSETS		138,574	133,185
EQUITY			
Opening accumulated surplus		133,185	83,176
Current year surplus		5,389	50,009
TOTAL EQUITY		138,574	133,185

The accompanying notes form part of this financial report.

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NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*. The committee has determined that the association is not a reporting entity.

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

Accounting Policies

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in this financial report.

(a) Income Tax

The association is exempt from income tax due to the nature of its activities.

(b) Inventories

All costs except for fixed asset purchase are expensed at the date of purchase. No amount is brought to account for consumable stocks held on the balance day.

(c) Plant and Equipment

Plant and equipment are recognised as an asset on a cost basis.

During the financial year depreciation commenced being calculated on all plant and equipment on a straight-line basis at rates of between 10 – 25% dependent on the effective life of the asset.

(d) Leases

Contracts are assessed at inception to determine if the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. No right-of-use assets and corresponding lease liabilities have been recognised.

The short-term lease recognition exception is applied for short term leases (i.e., those lease that have a lease term of 12 months or less from the commencement date or where the lease term is not specified and does not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered to be low value. Leases payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(e) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. All employee benefits which are expected to be settled within one year and have been measured at their nominal amounts.

(f) Revenue

Revenue is recognised when the entity obtains control over the funds which is generally at the time of receipt.

(g) Goods and Services Tax

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 the acquisition of the asset or as part of the item of expense.

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NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: RELATED PARTIES

Members of the committee receive no payment or other consideration for their services as committee members. Where a member of the committee is engaged to teach courses or to act in a managerial capacity that person receives no special advantage or other consideration when compared with other employees or tutors.

NOTE 3: PLANT & EQUIPMENT	2021	2020
Office equipment at cost	10,894	8,129
Computers at cost	12,616	8,081
Less: Accumulated Depreciation	(8,526)	(4,128)
Total	14,984	12,082

NOTE 4: COVID-19 PANDEMIC

In March 2020, a global pandemic for COVID-19 coronavirus was declared by the World Health Organisation. As a result, COVID-19 restrictions were introduced and the Australian Federal Government announced financial stimulus packages, including the ATO *Cash Flow Boost* and *Job Keeper*.

The association was entitled to the full amount of \$20,000 for the Cash Flow Boost. \$10,000 was received by 30 June 2020 and the second payment of \$10,000 was accrued as income at 30 June 2020.

The association was also entitled to participate in the JobKeeper scheme. \$10,500 was received in the current year and \$9,000 in the prior year.

In the prior year, a \$10,000 grant was also received from the Victoria State Government.

COVID-19 continued to impact the financials of Leongatha Community House through the 2020-21 financial year. The House was closed to the public from Saturday 13 to Wednesday 17 February 2021 and again from Friday 28 May to Thursday 3 June 2021 due to government directives. Throughout the financial year ongoing restrictions continued to impact the revenue of Leongatha Community House given the restrictions limited the number of people allowed to attend classes/workshops.

Throughout the lockdown periods, programs were continued to be delivered through Zoom. Participants were not charged for these sessions but facilities were continued to be paid, thus having a financial impact for the year.

Reduced government support was received this year compared to last year, with only the JobKeeper scheme funding being received from July to September 2020. This reduced the ability to compensate for the loss of income.

NOTE 5: LEASE COMMITMENTS

The association operates from premises owned by the South Gippsland Shire Council for which an existing lease is in place. The current lease was renewed for 2 years from 1 July 2020 for which a below market rental of \$104 per annum is paid.

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STATEMENT BY MEMBERS OF THE COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2021

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 2 to 6:

1. Presents a true and fair view of the financial position of Leongatha Community House Inc. as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Leongatha Community House 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:



Antoinette Daniel
President



Ann Shandley
Treasurer

4 November 2021

