

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

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

**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	24
Auditor's Report	25
Certificate by Members of the Committee	27
Auditor's Disclaimer	28
Detailed Profit & Loss Statement	29

**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, 2011.

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
Wendy Ellis - resigned
Ron Thomsen - appointed 19/4/2011

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 \$312,498 (2010: \$344,488 loss).

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.
Internal audit process using Moving on Audits commenced in preparation for assessment under the Community Care Common Standards.
A Clinical Audit Officer has been appointed
All services have met contracted service outputs
One new service has been established - the Security and Prevention Project for Seniors (target = 2).

NETWORKS AND PARTNERSHIPS:

The Peninsula Community Centre Inc is now actively involved 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; Central Coast Networks of Practice; Central Coast Division of General Practice; NSW COPS (Community Options); Local Community Services Association (NSW).
Partnerships to deliver new programs or services have been developed with Interrelate Family Services, Relationships Australia, Mingaletta, Weight Watchers, and Wesley Mission

PEOPLE AND CULTURE:

92% of childcare staff now have minimum qualifications (Certificate III) in early childhood or children's services.
The Code of Conduct and Ethics has been developed & implemented and 100% of staff have received training in the Code.
33 of 38 positions have up-to-date and current position descriptions (all roles have position descriptions; at 30 June 2011, five [5] to be reviewed)
HR Quality Improvement Plan has been compiled for 2011-2012

ORGANISATIONAL CAPACITY AND CAPABILITY:

Peninsula Community Centre Inc has returned to profitability
The restructure of the organisation into new service oriented business units has been completed.
Workers Compensation insurance premium has been reduced by 44%
Fringe Benefits Tax has been reduced by 46%

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. More than 700 people walked through during the day.
The Internet Kiosk for Seniors has performed better than expected with up to 40 people each month receiving individual tutoring sessions.

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

COMMITTEE'S REPORT

The Security and Prevention Project for Seniors has been established with the grant of \$150,000 from the Attorney General's Department.

The Web Youth Service was renovated by Lend Lease Erina Fair employees and businesses as part of their community service contribution.

After consultation with young people and other stakeholders, the Web Youth Service has been renamed Evolution Youth Service.

New service specifications have been negotiated with the Department of Family & Community Services for the Community Centre and Evolution Youth Service, including an increase in funding.

Evolution Youth Service has successfully moved from a drop-in youth centre to a focussed case management service under the new Early Intervention & Placement Prevention Program, as required by the new service agreement.

Future Developments

The Peninsula Community Centre Inc. will participate in pilot projects assessing the impact of the Community Care Common Standards on community aged care programs.

The Peninsula Community Centre Inc. will work closely with consultants to implement changes required by the harmonisation of Workplace Health & Safety (WHS) legislation. The new WHS Act will come into force from 1 January 2012.

The Peninsula Community Centre Inc. will complete a re-branding of the organisation and develop a new website. A marketing & communications plan will be developed to guide external and internal communications.

Central Coast Problem Gambling Service will change its trading name to Gambling Solutions Central Coast.

A Management Systems Framework will be developed to integrate the Business Planning System, Quality Management System, Risk Management System, Workplace Health & Safety & Environment Systems, and the Human Resource Management System.

A new VOIP telephone system will be installed connecting all services and all 9 facilities.

Events after Balance Date

Peninsula Community Centre's Problem Gambling Counselling Service has "Met" 18 of 20 Standards when reviewed by QMS using the QIC Health & Community Service Standards. The remaining two "Partly Met" Standards will be completed for Accreditation this year.

\$110,000 in new growth funding has been received from ADHC effective from January 2012, including funding for a new service type.

The Peninsula Community Centre Inc has been successful in its application to participate in the Commonwealth's Aboriginal Jobs Together Initiative. Negotiations will begin soon with NDS (the facilitating agency) on engaging Aboriginal case workers. This will build our capacity to effectively access and engage Aboriginal employees, service users and communities.

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

COMMITTEE'S REPORT

INFORMATION ON COMMITTEE MEMBERS

Katie Smith

Qualifications: Solicitor
Responsibilities: President
Meetings Board
Attendance 8
Possible 8

Max Brigden

Qualifications: Former Small Business Manager
Responsibilities: Committee Member
Meetings Board
Attendance 7
Possible 8

Gordon Ward

Qualifications: Former Police Officer/Business Manager
Responsibilities: Committee Member
Meetings Board
Attendance 7
Possible 8

Rhonda Mitchell

Qualifications: Former Small Business Manager
Responsibilities: Secretary
Meetings Board
Attendance 7
Possible 8

Wendy Ellis - resigned

Qualifications: Dance Studio Owner and Instructor
Responsibilities: Committee Member
Meetings Board
Attendance 0
Possible 4

**Ron Thomsen - appointed
19/4/2011**

Qualifications: Retired Finance Executive with Westpac and BNP
Responsibilities:
Meetings Board
Attendance 3
Possible 3

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

COMMITTEE'S REPORT

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

Committee
Member:



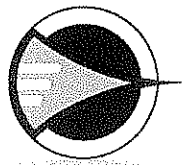
Katie Smith

Committee
Member:



Rhonda Mitchell

Dated this 31st day of October 2011



Unit 1
1 Pioneer Avenue
PO Box 3399,
Tuggerah NSW 2259

BISHOP COLLINS

CHARTERED ACCOUNTANTS

ABN 13 188 486 905

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

T: (02) 4353 2333
F: (02) 4351 2477
E: mail@bishopcollins.com.au
W: www.bishopcollins.com.au

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June, 2011 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 31st day of October 2011



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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2	8,042,535	7,569,796
Other income	2	10,073	23,250
		<u>8,052,608</u>	<u>7,593,046</u>
Advertising expenses		(21,317)	(34,088)
Auditor's remuneration	3	(57,170)	(37,368)
Bad and doubtful debt expenses	4	(43,698)	(19,488)
Carer Expenses		(787,783)	(693,706)
Contractor Payments		(1,204,625)	(1,167,409)
Depreciation and amortisation expenses	4	(130,631)	(205,779)
Employee benefits expenses		(4,176,180)	(4,303,692)
Insurance		(173,364)	(314,055)
Loss on sale of non-current assets	4	(12,276)	(418)
Materials		(126,648)	(148,002)
Motor vehicle expenses		(97,354)	(115,265)
Rent & Utilities expenses		(124,006)	(173,855)
Repairs & maintenance and replacement equipment		(89,277)	(120,805)
Other expenses		(695,781)	(603,604)
Profit (Loss) before income tax		<u>312,498</u>	<u>(344,488)</u>
Income tax expense	1	-	-
Profit (Loss) after income tax		<u>312,498</u>	<u>(344,488)</u>
Profit (loss) attributable to the association		<u><u>312,498</u></u>	<u><u>(344,488)</u></u>
Other comprehensive income			
Revaluation Surplus Movement	15	(25,000)	80,000
Total comprehensive income		<u>(25,000)</u>	<u>80,000</u>
Total comprehensive income attributable to members of the entity		<u><u>287,498</u></u>	<u><u>(264,488)</u></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 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,316,977	1,986,997
Trade and other receivables	6	161,565	89,521
Inventories	7	21,110	8,671
Other current assets	8	33,700	16,252
TOTAL CURRENT ASSETS		<u>2,533,352</u>	<u>2,101,441</u>
NON-CURRENT ASSETS			
Financial assets	9	500	500
Property, plant and equipment	10	1,294,518	1,416,930
Intangible assets	11	65,243	-
TOTAL NON-CURRENT ASSETS		<u>1,360,261</u>	<u>1,417,430</u>
TOTAL ASSETS		<u>3,893,613</u>	<u>3,518,871</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	829,271	683,819
Provisions	13	397,667	517,580
Other current liabilities	14	429,597	392,071
TOTAL CURRENT LIABILITIES		<u>1,656,535</u>	<u>1,593,470</u>
NON-CURRENT LIABILITIES			
Provisions	13	109,772	85,593
TOTAL NON-CURRENT LIABILITIES		<u>109,772</u>	<u>85,593</u>
TOTAL LIABILITIES		<u>1,766,307</u>	<u>1,679,063</u>
NET ASSETS		<u>2,127,306</u>	<u>1,839,808</u>
EQUITY			
Reserves	15	981,763	1,006,763
Retained earnings	16	1,145,543	833,045
TOTAL EQUITY		<u>2,127,306</u>	<u>1,839,808</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 2011**

	Note	Retained earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2009		1,177,533	926,763	2,104,296
Revaluation Surplus Movement	15		80,000	80,000
Profit/(loss) attributable to members		(344,488)		(344,488)
Balance at 30 June 2010		<u>833,045</u>	<u>1,006,763</u>	<u>1,839,808</u>
Profit/(loss) attributable to members		312,498		312,498
Revaluation Surplus Movement	15		(25,000)	(25,000)
Balance at 30 June 2011		<u><u>1,145,543</u></u>	<u><u>981,763</u></u>	<u><u>2,127,306</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 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,627,108	1,393,020
Payments to suppliers and employees		(7,548,301)	(7,489,336)
Dividends received		103	111
Interest received		73,631	45,084
Receipts from grants		6,286,104	5,987,772
Net cash provided by (used in) operating activities	18	<u>438,645</u>	<u>(63,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	84,500
Proceeds from sale of plant and equipment		167,139	-
Payments for property, plant and equipment		(275,804)	(114,441)
Net cash used in investing activities		<u>(108,665)</u>	<u>(29,941)</u>
Net increase (decrease) in cash held		329,980	(93,291)
Cash at beginning of financial year		1,986,997	2,080,288
Cash at end of financial year		<u>2,316,977</u>	<u>1,986,997</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 2011**

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

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.

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.

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 2011**

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 2011**

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 ADHC's grant funding policy.

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 2011**

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.

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 2011**

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

The total liability relates to the FBT years from 2005 to 2008. The 2008-2009 FBT Return was lodged and paid during the previous financial year. The 2009-2010 FBT liability was expensed and paid during the previous financial year. The 2005 and 2006 liability are accounting estimates based on average liabilities for the other FBT Returns lodged. The total liability recorded in the Statement of Financial Position under Trade and Other Payable is \$182,941. The association has recognised a liability for FBT back to 2005 (5 years), however the exact date of retrospective liability has yet to be determined by the Australian Taxation Office under the s 73 of the Fringe Benefits Tax Assessment Act 1986. The 2010-11 FBT Return has been lodged. Currently there is a payment arrangement in place to cover the FBT Liabilities.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
2 Revenue and Other Income			
Revenue			
Grants received		6,278,864	5,961,566
Client Fees		1,431,990	1,343,094
Rendering of services		9,767	8,134
		<u>7,720,621</u>	<u>7,312,794</u>
Other revenue			
Dividends received		103	111
Interest received		73,631	45,084
Other revenue		248,180	211,807
		<u>321,914</u>	<u>257,002</u>
Total revenue		<u>8,042,535</u>	<u>7,569,796</u>
Other income			
Profit on Sale of Non-current Assets		10,073	23,250
Total other income		<u>10,073</u>	<u>23,250</u>
Total revenue and other income		<u>8,052,608</u>	<u>7,593,046</u>
3 Auditor's Remuneration			
Audit year 2008-2009 - Simeoni & Co		-	16,050
Audit year 2009-2010 - Bishop Collins		21,225	17,660
Audit year 2010-2011 - Bishop Collins		23,000	-
Accounting year 2008-2009 - Simeoni & Co		-	1,550
Accounting year 2009-2010 - Bishop Collins		4,440	-
Tax FBT 2008-2009 - Bishop Collins		-	750
Tax FBT 2010-2011 - Bishop Collins		2,000	-
Other Services - Bishop Collins		6,505	-
		<u>57,170</u>	<u>36,010</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		130,631	205,779

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note	2011 \$	2010 \$
Bad Debts Written Off	23,648	3,437
Doubtful Debts	20,050	16,051
Total bad and doubtful debts	<u>43,698</u>	<u>19,488</u>
Profit on Sale of Non-current Assets	10,073	23,250
Loss on Sale of Non-current Assets	(12,276)	(418)
5 Cash and Cash Equivalents		
Current		
Cash on Hand	1,150	2,565
Deposits Short Term and at Call	-	50,000
Cash at Bank	2,315,827	1,934,432
	<u>2,316,977</u>	<u>1,986,997</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	2,316,977	1,986,997
	<u>2,316,977</u>	<u>1,986,997</u>
6 Trade and Other Receivables		
Current		
Trade Debtors & Accrued Income	161,565	89,521
	<u>161,565</u>	<u>89,521</u>
The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
7 Inventories		
Current		
Stock/Materials on Hand	21,110	8,671
	<u>21,110</u>	<u>8,671</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
8 Other Current Assets			
Current			
Prepayments		<u>33,700</u>	<u>16,252</u>
9 Financial Assets			
Non-Current			
Shares in Listed Companies		<u>500</u>	<u>500</u>
10 Property, Plant and Equipment			
Land and Buildings			
Building Improvements - at cost		6,380	43,422
Less: Accumulated Depreciation		<u>(271)</u>	<u>(4,057)</u>
		<u>6,109</u>	<u>39,365</u>
Land & Buildings - at independent valuation in 2010		<u>960,000</u>	<u>960,000</u>
Total Land and Buildings		<u>966,109</u>	<u>999,365</u>
Plant & Equipment - at cost		135,801	115,649
Less: Accumulated Depreciation		<u>(117,386)</u>	<u>(111,945)</u>
		<u>18,415</u>	<u>3,704</u>
Motor Vehicles - at cost		516,906	651,086
Less: Accumulated Depreciation		<u>(210,134)</u>	<u>(242,536)</u>
		<u>306,772</u>	<u>408,550</u>
Furniture & Fittings - at cost		11,977	11,977
Less: Accumulated Depreciation		<u>(8,755)</u>	<u>(6,666)</u>
		<u>3,222</u>	<u>5,311</u>
Total Plant and Equipment		<u>328,409</u>	<u>417,565</u>
Total Property, Plant and Equipment		<u>1,294,518</u>	<u>1,416,930</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$		
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 2009	45,202	522,255	8,197	914,282	1,489,936
Additions	-	107,860	-	6,580	114,440
Disposals	(1,572)	(60,094)	-	-	(61,666)
Revaluation increments/(decrements)	-	-	-	80,000	80,000
Depreciation expense	(39,926)	(161,470)	(2,885)	(1,498)	(205,779)
Balance at 30 June 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)
Carrying amount at 30 June 2011	18,415	306,772	3,222	966,109	1,294,518

11 Intangible Assets

Software - Other	76,382	-
Accumulated Amortisation	(11,139)	-
Total	<u>65,243</u>	<u>-</u>

12 Trade and Other Payables

Current		
Trade Creditors & Accruals	<u>829,271</u>	<u>683,819</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
13 Provisions			
Provision for Holiday Pay		294,253	288,271
Provision for Long Service Leave - current		103,414	149,942
Provision for Long Service Leave - non current		109,772	85,593
		<u>507,439</u>	<u>523,806</u>
Provision for Redundancy		-	79,367
Total provisions		<u>507,439</u>	<u>603,173</u>
Analysis of Total Provisions			
Current		397,667	517,580
Non-current		109,772	85,593
		<u>507,439</u>	<u>603,173</u>
Reconciliation of Provisions for Employee Entitlements			
Opening balance as at beginning of financial year		603,173	420,147
Additional charge		406,206	420,049
Less leave paid		(501,939)	(237,022)
Closing balance at end of the financial year		<u>507,440</u>	<u>603,173</u>
14 Other Liabilities			
Current			
Income in Advance		117,021	86,735
Grants Repayable		312,576	305,336
		<u>429,597</u>	<u>392,071</u>
15 Reserves			
Revaluation Surplus			
The revaluation surplus records the revaluations of non-current assets.			
Revaluation Surplus			
Opening Balance for the year		1,006,763	926,763
Revaluation Surplus Movement		(25,000)	80,000
		<u>981,763</u>	<u>1,006,763</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
16 Retained Earnings			
Retained earnings at the beginning of the financial year		833,045	1,177,533
Net profit (Net loss) attributable to the association		312,498	(344,488)
Retained earnings at the end of the financial year		<u>1,145,543</u>	<u>833,045</u>
17 Related Party Transactions			
Daughter of President is a child care worker with Children's Services		<u>22,688</u>	<u>25,395</u>
18 Cash Flow Information			
Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit (Loss) after income tax		312,498	(344,488)
Non-cash flows in profit			
Profit on sale of non-current assets		(10,073)	(23,250)
Loss on sale of non-current assets		12,276	418
Depreciation		130,631	205,779
Other expenses		8,001	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries			
(Increase) Decrease in current inventories		(12,439)	(1,203)
(Increase) Decrease in current receivables		(89,492)	(78,222)
(Increase) Decrease in prepayments		-	25,657
Increase (Decrease) in trade creditors		145,450	(52,114)
Increase (Decrease) in current provisions		(95,734)	183,026
Increase (Decrease) in income in advance & grants		37,527	21,048
		<u>438,645</u>	<u>(63,349)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
19	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		
20	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.		
21	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 2011 is 263 (2010: 269).		

**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 :

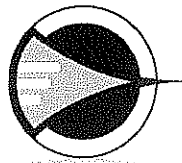
1. Presents a true and fair view of the financial position of Peninsula Community Centre Inc. as at 30 June, 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards 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*
Kate Smith

Secretary: *R Mitchell*
Rhonda Mitchell

Dated this 31st day of October 2011



Unit 1
1 Pioneer Avenue
PO Box 3399,
Tuggerah NSW 2259

BISHOP COLLINS

CHARTERED ACCOUNTANTS

T: (02) 4353 2333
F: (02) 4351 2477
E: mail@bishopcollins.com.au
W: www.bishopcollins.com.au

ABN 13 188 486 905

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, 2011, 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.

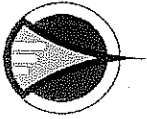
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. 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:

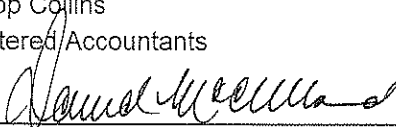
- (i) giving a true and fair view of the Association's financial position as at 30 June, 2011 and of their performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporations Act (NSW) 2009.

Emphasis of Matter

We draw attention to the Critical Estimates and Judgements in Note 1 to the financial statements. The association has had to recognise a material amount of Fringe Benefits Tax Payable due to the non-lodgement of FBT Returns in previous financial years.

Name of Firm: Bishop Collins
Chartered Accountants

Name of Partner:

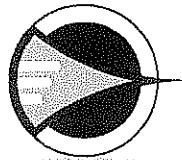


David McClelland

**Auditor's
Registration No.** 320260

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

Dated this 31st day of October 2011



Unit 1
1 Pioneer Avenue
PO Box 3399,
Tuggerah NSW 2259

BISHOP COLLINS

CHARTERED ACCOUNTANTS

T: (02) 4353 2333
F: (02) 4351 2477
E: mail@bishopcollins.com.au
W: www.bishopcollins.com.au

APN 13 188 486 905

INDEPENDENT AUDITORS' 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, 2011. 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 31st day of October 2011



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

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
INCOME			
Grants Received		6,279,474	5,965,550
Less: Unspent Grant		(610)	(3,984)
Donations		2,569	627
Drinks, Food & Game Machine Income		5,168	5,482
Membership Fees		2,030	2,025
Client Fees		1,431,990	1,794,578
Less: Administration Fees		-	(451,484)
		7,720,621	7,312,794
OTHER INCOME			
Dividends Received		103	111
Interest Received		73,631	45,084
BJP Dance Fees		23,433	19,323
Kindy Gym Fees		8,927	11,585
Bridge Club Fees		17,920	17,694
Sundry Income		74,700	13,797
Senior Activities		4,022	4,720
School of Dance Fees		28,214	25,018
Yoga Fees		1,960	1,623
Play Group Fees		14,548	14,346
Profit on Sale of Non-current Assets		10,073	23,250
Room Hire Fees		74,456	103,701
		331,987	280,252
		8,052,608	7,593,046

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 2011**

	Note	2011 \$	2010 \$
EXPENSES			
Loss on Sale of Non-current Assets		12,276	418
Advertising		21,317	34,088
Asbestos Property Audit		4,653	-
Auditor's Remuneration		57,170	37,368
Bad Debts Written Off		23,648	3,437
Bank Charges		5,038	3,561
Care Related Expenses		12,754	12,369
Carer Expenses		787,783	693,706
Building improvements written off		8,001	-
Cleaning & Sanitisation		32,354	28,096
Computer Expenses		65,677	41,041
Contractor Payments		1,204,625	1,167,409
Consultancy Fee		73,254	110,645
Consumables		25,708	28,410
Building & Cottage Improvements		18,054	6,055
Depreciation		130,631	205,779
Doubtful Debts		20,050	16,051
Education, Water & Other Grants		-	11,059
Electricity		26,973	46,411
Employee Entitlements		118,736	112,860
Filing Fees		468	-
Fringe Benefits Tax		34,206	65,772
General Expenses		22,307	25,512
Hire of Plant & Equipment		15,075	30,121
Insurance		15,776	48,797
Legal Costs		5,000	-
Materials		126,648	148,002
Motor Vehicle Expenses		97,354	115,265
Postage, Printing, Stationery & Photocopying		40,548	39,291
Recruitment Expense		16,513	19,431
Redundancy Expense		142,022	79,367
Rates & Taxes		11,624	7,907
Replacement Equipment		38,156	74,900
Rent		42,152	79,260
Repairs & Maintenance		51,121	45,905
Security Costs		42,775	9,422
Staff Training		87,289	112,902
Subscriptions		15,579	23,529

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 2011**

Note	2011 \$	2010 \$
Superannuation	312,503	320,996
Telephone & Facsimile	54,881	48,184
Travel & Excursion Expenses	44,983	46,488
Prior year unspent grants repayable to government	46,965	-
Uniforms	733	1,649
Volunteer Expenses	11,490	13,879
Wages	3,657,652	3,756,934
Workers Compensation	157,588	265,258
	<u>7,740,110</u>	<u>7,937,534</u>
Profit (Loss) before income tax	<u><u>312,498</u></u>	<u><u>(344,488)</u></u>

The accompanying notes form part of these financial statements.