



ANNUAL REPORT 2021



Prahran Community Learning Centre

Email: admin@pclcentre.org.au

Website: www.pclcentre.org.au

Tel: 03 9510 7052

Address: 40 Grattan Street, Prahran 3181

TABLE OF CONTENTS

Chair Report_____	3
Principal Executive Officer Report_____	4
Financial Statements_____	7
Treasurer's Report_____	8
Appendix_____	11
- Agenda	
- 2021 Minutes	
- Special Purpose Financial Report	

CHAIR REPORT



Dear Members,

This last year has been a challenge for PCLC, for both its leadership and Committee of Management.

As you would all now be aware, a number of Senior leaders were stood down from PCLC over the past year pending further investigation for various misconduct activities. These actions will continue to be investigated and actioned over the coming weeks and months ahead.

The positive from all of this is we have appointed an amazing leader as Principle Executive Officer (PEO) and have successfully completed the refreshing of the PCLC Committee of Management – the Committee of Management is now committed, driven and passionate about the long-term success of PCLC. While I will be departing as outgoing Chair, I will remain on the committee for a wee while longer, and look forward to welcoming Tara, currently Deputy Chair, who will take over as Chair of PCLC.

In terms of activity, the Centre has run two well attended Community Lunches this year which have provided an opportunity for students and other residents in Stonnington to connect with other people in a warm and supportive space. Our programs are being expanded and it is exciting to see new activities and courses appearing. I am confident that moving forward, PCLC will be a vibrant place meeting the needs of a wide variety of people.

On behalf of the entire Committee of Management, we would like to thank everyone for their support, assistance and encouragement over the past year in particular our funders, partners as well as the broader community.

Neil Pharaoh
Chair

PRINCIPAL EXECUTIVE OFFICER REPORT



As the new PEO at PCLC I am looking forward to working with the team and the community to grow the organisation and deliver more programs and increase our reach.

We are fortunate to have a great team at PCLC. The Committee of Management is group of volunteers with aligned purpose and determination to see PCLC thrive. Our staff are dedicated and talented. This should reassure all members, students and stakeholders that PCLC has a bright future and will be able to effectively deliver to a greater number of people, including those who are vulnerable and in need.

There have been some highlights for me in the six months I have been here: working with the wonderful Irene Ly on front desk and Taylah Hohenhaus as my 2IC. Unfortunately, Taylah returned back to her home state of Queensland but it was wonderful to have her cheerful and energetic personality around the Centre while she was here. Irene personifies the character of the Centre: caring, patient, productive, competent. We are very lucky to have her. Tania Robins and Wen Yue and two other amazing staff members who welcomed me and enthusiastically embraced new initiatives and direction.

New staff that have come on board include Jennifer Webb and Julian Holcroft – art teachers, Rachel Virsu in Occasional Child Care who is taking Wen's place as she moves to Canberra to follow her partner, and Kate Blacket who has started as Programs and Marketing Manager.

We ran a successful carers' movie at Como in partnership with Neighbourhood Houses Victoria and Drake Employment. There have been two successful Community Lunches, the first cooked by staff and the second led by Tania and the Cook Well Eat Well group.

We have been exploring ways that we can better support residents living on public housing through our connection with Ana Rufatt-Ruiz, Chair of the South Yarra Public Tenants

Association. I have also been enjoying the opportunity to explore partnerships through my participation in the catchment leadership group “Addressing health and social equity.”

I see the work that PCLC delivers every day to many people. Our education around literacy, numeracy, and digital skills has profound effects on how people navigate life and citizenship; our staff help people build confidence and life skills, our organisation provides people with food relief, makes referrals, finds time to listen to people so they feel valued and supported.

New programs that have been or are being introduced, include

- a very well attended series of free children's music workshops run generously by Rachel
- ikebana workshop
- ukulele workshop
- meditation
- a writers' collective
- a men's social group
- life drawing
- art journaling



We have also benefitted from great support from our stakeholders including:

- Cameron MacRae, Nicole Battle and Keir Paterson from NHVic
- Liz Daley, Julie Fry from the City of Stonnington and their team at Grattan Gardens Community Centre
- Jeremy Brewer, Irene Desiatov and Iwona Jonasz from ACFE
- Cath Darcy and Wendy Hiam from CHN Southern Network
- Tamsin Rossiter from ACE Vic
- Windsor Senior Citizens' Club for their generous scholarship donation

I am excited to see what 2023 brings for PCLC as we move confidently and optimistically forwards.

I hope you all watch this space and I invite you to be part of our journey.

Shima Ibuki
Principal Executive Officer

FINANCIAL STATEMENTS

PCLC's Financial Statement Requirements

PCLC is required to prepare a full set of financial statements and have them audited each calendar year.

Our financial statements for 2021 with comparatives for 2020 comprise of:

Income and Expenditure Statement _____	2
Statement of Financial Position _____	4
Statement of Change in Equity _____	5
Statement of Cash Flows _____	6
Statement by Members of the Board of Management _____	9
Certificate by the Board of Management _____	12

Our full set of audited financial statements are attached as an appendix.

Summary of PCLC's results for 31 December 2021

A summary of PCLC's financial results are set out below and are also referred to in the Treasurer's Report

PROFIT AND LOSS STATEMENT	2021	2020
Total Income	885,117	1,258,892
Less Total Expenditure	995,226	1,052,585
Net Profit/Loss	(110,049)	206,307

BALANCE SHEET

	2021	2022
Total Current Assets		
Total Current Assets	826,233	879,610
Total Non Current Assets	15,455	16,487
Total Assets	841,688	896,097
Total Current Liabilities	267,433	211,792
EQUITY	574,255	684,304

TREASURER'S REPORT 2021



Dear Members,

The 2021 was busy and challenging for PCLC, coming out of COVID-19 and then working on adjustments and exploring new strategies and possibilities for PCLC coming into the 'new normal' with a new outlook.

While classes at PCLC were mainly conducted online in 2021, PCLC was still open to the community who needed to drop in and be in contact for support and reassurance, which is a great credit to the operating team in 2021.

A round of strategy sessions from May 2021 raised issues and opportunities for change, as mentioned in our Chair's report, and in March 2022 we appointed our new PEO, Shima Ibuki. With the Committees' support, Shima has refreshed PCLC's program and we have embarked on a new era with new programs and connections with the community, stakeholders and staff.

We also appointed new external accountants and a bookkeeper, obtained assistance from Neighborhood Houses Victoria in updating financial reporting systems and Shima and all the staff have worked hard on ensuring financial reporting systems that report on our government programs are fit for purpose.

These significant changes have resulted in numerous adjustments to the 2021 final financial results which we have been working on for many months. Disclosure regarding these adjustments are found in our Board of Management Report, page 1, "*After Balance Date Events*".

A summary of our financial results for 31 December 2021 are:

PROFIT AND LOSS STATEMENT	2021	2020
Total Income	885,117	1,258,892
Less Total Expenditure	995,226	1,052,585
Net Profit/Loss	(110,049)	206,307

BALANCE SHEET

	2021	2022
Total Current Assets	826,233	879,610
Total Non-Current Assets	15,455	16,487
Total Assets	841,688	896,097
Total Current Liabilities	267,433	211,792
EQUITY	574,255	684,304

Our Balance Sheet and equity position is very strong and our Auditor concurs with our Committee Statement that PCLC is a going concern, see our Statement by Members of the Committee of Management, page 9.

Our Profit and Loss Statement for 2021 has been qualified by our Auditor, due to the level of uncertainty in verifying some accounts or the required amounts of adjustments stemming from our investigation. Our Auditor has referred to this in his Auditor Report, page 10 “Basis for Qualification”.

The 2022 Profit and Loss Statement will also see some increased expenditure associated with legal costs and long service leave payments of previous staff members. However, we know that 2022 has brought income from new programs and gains will be made in 2023 to reflect the changes and new strategies underway in 2022.

I would like to thank the expertise, commitment and trust the Committee of Management have demonstrated during 2021 and 2022 to serve the members of PCLC and to Shima who found themselves with the enormous challenge to re-engineer PCLC and have done so with supreme effort, energy and knowhow.

Maggie Burke

Treasurer

APPENDIX

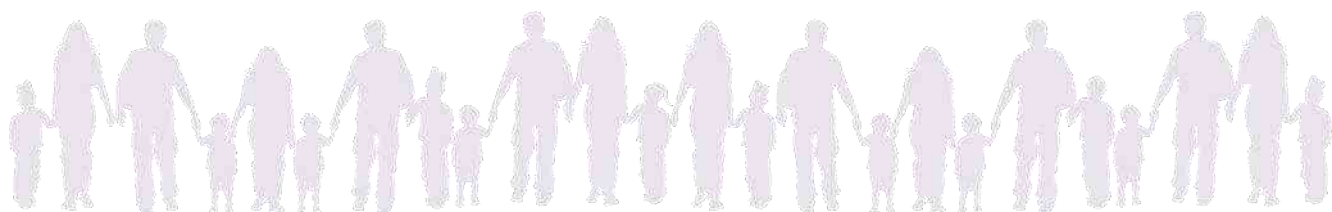
Annual General Meeting

Date: October 5, 2022

Time: 5.00pm

AGENDA

1. PCLC Vice Chairperson welcome and acknowledgement of country - Tara Blanchy
2. Welcome to Country and Healing Ceremony – Peta Hudson, Wunyun
3. Apologies
4. Acceptance of Minutes of previous meeting
5. Annual Address presented by outgoing Chairperson – Neil Pharaoh
6. Annual Address presented by the PEO – Shima Ibuki
7. Financial Statement presented by the Treasurer – Maggie Burke
8. Appointment of 2022 Auditors Collins & Co Pty Ltd
9. 2022 Committee of Management Elections
10. Closing Statement by the incoming Chairperson – Tara Blanchy





Minutes for Meeting Book - Annual General Meeting

19/05/2021 | 17:20 - 00:00 - (GMT+10:00) Canberra

40 Grattan Street

Attendees (8)

Neil Pharaoh; Tara Blanchy; Maggie Burke; Catherine Elliot-Jones; Tom Moloney; Angela Stathopoulos; Kirsty Hohenhaus; Anthony Swan

Welcome and Acknowledgement of Country

Acknowledgement by Chair

Apologies

Apologies - Mark Pellas

Minutes of Previous Meeting

Acceptance of previous minutes

Moved by Tom and seconded by Tara

All in favour of moving - nil against

Annual Address

Joint Chair and PEO report was in the Annual report.

Angela - 2020 was a very challenging year for everyone. I was incredibly impressed with our staff who are so passionate about our community and committed themselves to continuing to support our clients and who very quickly learned how to remote teach.

We did a lot of wellbeing checks throughout of the whole of the year which took up a lot of our capacity and was vital for the health and wellbeing of our clients. In 2021 we have found that clients still need a lot of support as they continue to be adversely effected by the isolation they encountered in 2020 and still require ongoing support from PCLC.

Vet for VCE and VCAL students has started to be offered by PCLC and has been very well taken up by external schools. We are looking at expanding what we will offer schools and students in 2022.

I would like to acknowledge the support of the Committee of Management and acknowledge our outgoing long servicing committee members Andrew and Sandra.

Neil - The Committee of Management would like to thank Angela and team.

Moved by Tara and seconded by Catherine

All in favour of moving - nil against

Presentation of Financial Statements

Maggie - I would like to acknowledge the work of the team at PCLC.

It is such a wonderful organisation and I would encourage more self promotion of what you do.

Revenue was up in 2020 due to Jobkeeper and ATO support

Expenses down in 2020 (due to reduced delivery)

Looking at the expenses we need to look at whether the shop is still relevant

Everything in the audited report correlated to what was happening everywhere in 2020

I would encourage at looking at alternative grants in the next year

Encourage future proofing the organisation by robust strategic planning

In closing PCLC is an undervalued resource to the community

Angela -

Retail shop - an external review happened in 2019 and the actions were not able to be done 2020, however will be done this year. We are putting on Certificate II in Retail Services with the intent of the training being conducted in the shop.

We are also adding Cert II in Hospitality and Community Services.

Marketing is starting to be addressed.

Moved by Maggie and seconded by Catherine

All in favour of moving - nil against

Appointment of 2021 Auditors BPR Audit Pty Ltd

Formally appoint BPR for our auditors in 2021

Moved by Neil and seconded by Maggie

All in favour of moving - nil against

2021 Committee of Management Elections

Nominations open for:

Chairperson - Neil Pharoah nominated for Chairperson, there were no other nominations

Deputy Chairperson - Tara Blanchy nominated for Deputy Chairperson, there were no other nominations

Treasurer - Maggie Burke nominated for Treasurer, there were no other nominations

Secretary - Catherine Elliot-Jones nominated for Secretary, there were no other nominations

Committee Members - Tom Moloney, Mark Pellas (via proxy) and Anthony Swan nominated

Formal declaration of the Committee of Management:

Chairperson - Neil Pharoah

Deputy Chairperson - Tara Blanchy

Treasurer - Maggie Burke

Secretary - Catherine Elliot-Jones

Committee Members - Tom Moloney, Mark Pellas and Anthony Swan

Allocation to Sub Committees:

FARM - Lead by treasurer Maggie Burke with Anthony Swan. Secretary Kirsty with Neil and Angela as ex-officio

Policy - Lead by Tara with Mark Pellas. Secretary Kirsty with Neil and Angela as ex-officio

Governance - Lead by Catherine with Tom Moloney. Secretary Kirsty with Neil and Angela as ex-officio

Motion for formation of each of the Sub Committee

Moved Neil seconded Tara

All in favour of moving - nil against

2020 Statistical Data

Nil presented

Closing Statement

Neil - Big thank you to Kirsty and Angela and to the CoM team for the last year. It was a turbulent and traumatic year. Due to the restrictions it was very challenging and difficult for the committee members as we could only meet only via zoom, yet we still managed to move forward ambitiously. We have started looking at streamlining processes and move forward as a million plus turnover business.

PRAHRAN COMMUNITY LEARNING CENTRE INC

A.B.N: 46 793 650 620

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620

CONTENTS	PAGE
Board of Management's Report	1
Income and Expenditure Statement abd Statement of Comprehensive Income	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows and Notes to the Statement of Cash Flows	6
Notes to the Financial Statements	7
Statement by Members of the Board of Management	9
Independent Auditor's Report	10
Certificate by the Board of Management	12

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
BOARD OF MANAGEMENT'S REPORT

Your Board members present the special purpose financial report on the entity for the financial year ended 31 December 2021.

Board of Management Members

The names of board of management members throughout the year and at the date of this report are:

Neil Pharaoh	Chair	
Tara Blanchy	Vice-Chair	
Maggie Burke	Treasurer	
Catherine Elliot Jones	Secretary	
Mark Pellas	Ordinary Committee Member	
Tom Moloney	Ordinary Committee Member	
Anthony Swan	Ordinary Committee Member	Appointed May 2021
Mark Denton	Ordinary Committee Member	Resigned
Angela Stathopoulos	Ordinary Committee Member	Resigned
Gino Vincenzini	Ordinary Committee Member	Resigned

David Paton - resigned February 2021

Principal Activities

The association provides education, support and recreational opportunities to its diverse community.

Significant Changes

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The deficit for the year attributable to the entity amounted to \$110,049 (2020: \$206,308 - Surplus).

After Balance Date Events

In March 2022 a number of senior leaders were stood down from Prahran Community Learning Centre (PCLC) staff, while an investigation into the misappropriation of PCLC assets was commenced by independent experts appointed by the Committee.

These investigations are continuing and have resulted in some adjustments to the financial statements 31 December 2021 and will result in some extraordinary items of expense and income in the 30 December 2022 year.

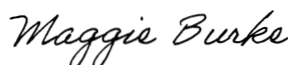
Signed in accordance with a resolution of the Board of Management.

Chairperson



Neil Pharaoh

Treasurer



Maggie Burke

Dated this

day of October 2022

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
INCOME		
<u>Grant Funding Income</u>		
ACFE	200,431	195,701
City of Stonnington	8,600	20,517
Department of Education - Occasional child care funding	53,098	2,618
Department of Education - Skills Victoria income	9,161	33,033
Department of Fairness, Family & Housing - Neighbourhood coordination program	142,237	99,148
Department of Health - Commonwealth home support program (CHSP)	77,145	150,674
Department of Health and Human Services - HACC programs	96,217	68,319
Oakwood	-	139,645
	586,889	709,654
<u>Fees from Programmes and Other Income</u>		
Adult Classes	97,805	65,752
Child care fees from parents	25,264	15,245
Donations	281	-
Interest received	1,169	3,379
Room hire	19,444	6,269
Retail sales	20,175	31,829
Sundry income	6,000	10,007
	170,138	132,481
<u>COVID-19 Related Income</u>		
Business support funding	51,600	46,157
Cash flow boost payments	-	100,000
JobKeeper payments	76,550	270,600
	128,150	416,757
TOTAL INCOME	885,177	1,258,892
EXPENDITURE		
<u>Administration expenses</u>		
Accounting and audit fees	37,135	31,999
Advertising and publicity	1,092	339
Catering and function expenses	1,710	2,448
Computer repairs and maintenance	5,721	4,953
Conferences and seminars	1,457	1,677
Depreciation	6,802	8,255
Expendable office equipment	4,220	4,653
GGCC operation expenses	7,465	5,459
Printing, postage and stationary	10,819	9,126
Repairs and maintenance	3,096	7,550
Subscriptions and memberships	10,980	6,812
Telephone and internet	8,019	8,590
Travel expenses	4,790	2,574
VET	460	-
Other administration expenses	11,679	18,679
	115,445	113,113
<u>Course and Project Expenses</u>		
Art	9,186	3,757
Business studies	18,464	497
Family Learning Partnership	4,733	3,470
HACC & CHSP expenses	1,341	6,614
Youth	6,128	8,630
VET expenses	8,232	-
Other	6,284	8,575
	54,368	31,545

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Neighbourhood Renewal Expenses	11,651	209
<u>Staff Salaries, Wages and On-costs</u>		
Salaries and wages	557,506	592,190
Superannuation contributions	62,589	58,267
Annual leave & Long service leave	7,925	12,114
Educational support	-	3,882
Governance	35,917	42,089
Motor vehicle allowance	17,308	15,577
Other employment expenses	5,351	5,521
Portable long service benefits scheme levy	9,249	7,143
Professional development	11,209	606
Workers compensation	6,491	7,194
	<u>713,545</u>	<u>744,583</u>
<u>Social Enterprise Expenses</u>		
Consignment payments	8,890	12,486
Amortisation of goodwill	-	5,000
Purchases	4,699	4,573
Rent	45,577	47,903
Salaries & Wages	36,871	69,916
Other	4,180	23,258
	<u>100,217</u>	<u>163,135</u>
TOTAL EXPENDITURE	<u>995,226</u>	<u>1,052,585</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR	<u>(110,049)</u>	<u>206,307</u>

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
NET SURPLUS/(DEFICIT) FOR THE YEAR	(110,049)	206,307
Other Comprehensive Income for the Year	-	-
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO THE ASSOCIATION	<u>(110,049)</u>	<u>206,307</u>

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021	2020
	\$	\$
CURRENT ASSETS		
Cash at bank	646,046	679,151
Cash on hand	2,151	830
Cash on term deposits	163,620	163,011
Accounts receivable	527	18,253
GST refundable	5,637	9,303
Prepayments	-	811
Rental bond on retail shop	8,252	8,250
TOTAL CURRENT ASSETS	826,233	879,610
NON-CURRENT ASSETS		
Office equipment	13,743	14,346
Furniture and fittings	1,712	2,141
Shop fittings	-	-
TOTAL NON-CURRENT ASSETS	15,455	16,487
TOTAL ASSETS	841,688	896,097
CURRENT LIABILITIES		
Trade and sundry creditors	112,721	133,306
Grants received in advance	65,691	-
Superannuation payable	8,301	1
Provision for annual leave	30,110	34,478
Provision for long service leave	50,610	44,008
TOTAL CURRENT LIABILITIES	267,433	211,792
TOTAL LIABILITIES	267,433	211,792
NET ASSETS	574,255	684,304
EQUITY		
Accumulated funds	574,255	684,304
	574,255	684,304

The Statement of Financial Position is to be read in conjunction with the audit report
and the notes to the financial statements.

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Accumulated Funds \$	Total \$
Opening Balance as at 1 January 2020	477,997	477,997
Surplus/ (Deficit) attributable to the Association	206,307	206,307
Balance as at 31 December 2020	<u>684,304</u>	<u>684,304</u>
Surplus/ (Deficit) attributable to the Association	(110,049)	(110,049)
Balance as at 31 December 2021	<u><u>574,255</u></u>	<u><u>574,255</u></u>

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grant funding		652,580	709,654
Other receipts		318,510	595,201
Payments to suppliers and employees		(997,664)	(1,039,900)
Interest received		1,169	3,379
Net cash generated from/(used in) operating activities	(i)	<u>(25,405)</u>	<u>268,336</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,770)	(12,778)
Net cash (used in)/provided by investing activities		<u>(5,770)</u>	<u>(12,778)</u>
Net increase/(decrease) in cash held		(31,175)	255,558
Cash and cash equivalents at beginning of financial year		842,992	587,434
Cash and cash equivalents at end of financial year	(ii)	<u>811,817</u>	<u>842,992</u>

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Note (i) Net cash generated from/(used in) operating activities		
Net surplus for the year	(110,049)	206,307
Non-cash flow items:		
Amortisation and depreciation	6,802	13,255
(Increase)/decrease in accounts receivables	17,726	47,959
(Increase)/decrease in other receivables	3,665	1,384
(Increase)/decrease in prepayments	811	21,460
Increase/(decrease) in trade and other payables	(12,284)	(25,297)
Increase/ (Decrease) in grants received in advance	65,691	-
Increase/(decrease) in provisions	2,234	3,268
	<u>(25,405)</u>	<u>268,336</u>
Note (ii) Cash and cash equivalents at end of financial year		
Cash at bank	646,046	679,151
Cash on hand	2,151	830
Cash on term deposits	163,620	163,011
	<u>811,817</u>	<u>842,992</u>

The Statement of Cash Flows is to be read in conjunction with the audit report and the notes to the financial statements.

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1. Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of Prahan Community Learning Centre Inc, a incorporated association, which is incorporated in Victoria under the Associations Incorporation Reform Act 2012.

Basis of preparation

This financial report is a special purpose financial report 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 Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the company in the preparation of the general purpose financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

a. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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.

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 company 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.

Depreciation

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

The asset's 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.

b. 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.

c. Revenue

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants received for specific programs are recognised as income only to the extent of work completed on those projects when the terms of the grants stipulate that any unexpended funds are to be returned to the sponsor if the program is not completed. In those circumstances the funds attributable to work still to be completed are carried forward as grants income deferred.

Revenue is measured at the fair value of the consideration received or receivable.

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1. Statement of Significant Accounting Policies (*continued*)

c. Revenue (*continued*)

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

d. Income Tax

By virtue of its aims as set out in the constitution, the Association qualifies as an organisation specifically exempt from income tax under the *Income Tax Assessment Act 1997*.

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

f. Employment Entitlements

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 amount expected to be paid when the liability is settled.

Contributions are made by the association to employee superannuation fund and are charged as expenses when incurred.

g. 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.

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

The Board of Management 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 Board of Management the financial report as set out on pages 2 to 8:

- 1 Presents a true and fair view of the financial position of Prahan Community Learning Centre Inc as at 31 December 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 Prahan Community Learning Centre Inc will be able to pay its debts as and when they fall due.

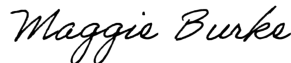
This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board by:

Chairperson



Neil Pharaoh

Treasurer



Maggie Burke

Dated this

4 day of October 2022



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

PRAHRAN COMMUNITY LEARNING CENTRE INC A.B.N. 46 793 650 620 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Qualified Opinion

I have audited the accompanying financial report of Prahran Community Learning Centre Inc (the Association), which comprises the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial report of the Association is in accordance with the Australian Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (Victoria), including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2021 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1, the Associations Incorporation Reform Act (Victoria 2012) and with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

My audit opinion only refers to the accuracy of the 2021 balances in the Balance Sheet. I do not express an opinion on the income and expenses in the income statement for the 2021 financial year or on the 2020 financial year comparatives.

The Association has suffered losses due to misappropriation of assets during the last approx. 10 years and the forensic investigation to quantify the losses is still ongoing and legal proceedings are pending. Any potential recovery of losses has not been considered in the 2021 financial statements as the amounts are unknown.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Prahran Community Learning Centre Inc to meet the requirements of the Associations Incorporation Reform Act (Victoria 2012). As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Liability limited by a scheme approved under Professional Standards Legislation

ABN 33 614 161 796



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Name of Auditor: Frederik R. L. Eksteen

Address: Collins & Co Audit Pty Ltd
127 Paisley Street
Footscray VIC 3011

Date: 4 October 2022

PRAHRAN COMMUNITY LEARNING CENTRE INC
A.B.N: 46 793 650 620
CERTIFICATE BY MEMBERS OF THE BOARD OF MANAGEMENT

I, **Neil Pharaoh** and I, **Maggie Burke** certify that:

- (a) We are members of the board of management of the Prahan Community Learning Centre Inc
- (b) We attended the annual general meeting of the association held on 5 October 2022.
- (c) We are authorised by the attached resolution of the Board to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Chairperson



Neil Pharaoh

Treasurer

Maggie Burke

Maggie Burke

Dated this

4 day of October 2022