

Ballaarat Mechanics Institute

ACN 004 034 575

Financial Statements

For the Year Ended 30 April 2021

Ballaarat Mechanics Institute

ACN 004 034 575

Contents

For the Year Ended 30 April 2021

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Ballaarat Mechanics Institute

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Directors' Report 30 April 2021

The Directors present this report on the Institute for the financial year ended 30 April 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	
Mike Stephens	President	
Prof Terry Lloyd	Immediate Past President	
Paula Nicholson	Vice President	
Jane Valpied	Vice President	
Peter Dowling	Treasurer	
Ross Furness	Secretary	
Pauline Barton	Director	Appointed 18 December 2020
Prue Bentley	Director	
David Berry	Director	
Wendy Graham	Director	Resigned 22 June 2020
Grantley Hastings	Director	Resigned 22 June 2020
Andrew Miller	Director	
Dr Phil Roberts OAM	Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The Institute has maintained and developed its heritage building and collections during this financial year. It has made them accessible to the community through the library, tours of the building and hire of rooms for functions.

No significant changes in the nature of the Institute's activities occurred during the financial year.

Members' guarantee

The Ballaarat Mechanics Institute is a not for profit company limited by guarantee registered with the Australian Securities and Investment Commission (ASIC) under the *Corporations Act 2001*. If the Institute is wound up, under the provisions of its Articles of Association (dated 1888), each member is required to contribute a maximum of one pound (\$2) towards meeting any outstanding obligations of the Institute. At 30 April 2021 the collective liability of the members was 606 pounds (\$1,212).

Ballaarat Mechanics Institute

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Directors' Report 30 April 2021

Information on Directors

Mike Stephens	President
Responsibilities	Building Committee
Experience	Agriculture Consultant, Dip FM, MSc, FAIA, FAICD, Churchill Fellow
Prof Terry Lloyd	Immediate Past President
Responsibilities	Director
Experience	Retired University Deputy Vice Chancellor, Former CEO and president of Sovereign Hill Museums Association
Paula Nicholson	Vice President
Responsibilities	Collections Committee
Experience	Human Resource, Business Analysis and Sales
Jane Valpied	Vice President
Responsibilities	Communication, Fundraising & Member Services Committee
Experience	Property Valuer
Peter Dowling	Treasurer
Responsibilities	Finance, Risk & Audit Committee
Experience	Bachelor of Commerce and Arts, Diploma of Real Estate, Retired General Manager
Ross Furness	Secretary
Responsibilities	Finance, Risk & Audit Committee and Building Committee
Experience	Human Resources Manager
Pauline Barton	Director
Responsibilities	Director
Experience	Accountant, BMus, DipEd, DipBus, BAcc, GAICD.
Prue Bentley	Director
Responsibilities	Director
Experience	Chief of Staff Ballarat ABC, Bachelor of Communications, Graduate Diploma of Radio Broadcasting, Expertise in Journalism
David Berry	Director
Responsibilities	Communication, Fundraising & Member Services Committee and Finance, Risk & Audit Committee
Experience	Retired Engineer, IT Specialist, Management Consultant
Wendy Graham	Vice President - Retire 22 June 2020
Responsibilities	Communication, Fundraising & Member Services Committee
Qualifications	School Principal, Education Consultant, BST, DRT
Grantley Hastings	Director
Responsibilities	Finance, Risk & Audit Committee
Experience	BCom, Ccomp, CA, CTA
Andrew Miller	Director
Responsibilities	Building Committee
Experience	BEng (Civil)
Dr Phil Roberts OAM	Director
Responsibilities	Collections Committee
Experience	Author, retired School Principal, BA, MEd

Directors' Report
30 April 2021

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

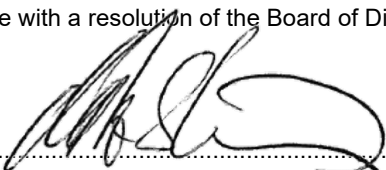
	Directors' Meetings	
	Number of Meetings Attended	Number Eligible to Attend
Mike Stephens	12	12
Prof Terry Lloyd	12	12
Paula Nicholson	12	12
Jane Valpied	9	12
Peter Dowling	12	12
Ross Furness	12	12
Pauline Barton	5	5
Prue Bentley	10	12
David Berry*	7	12
Wendy Graham	1	1
Grantley Hastings	2	2
Andrew Miller	9	12
Dr Phil Roberts OAM	11	12

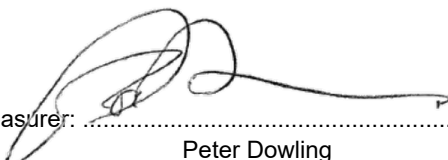
*Leave of absence was granted from 27 August 2020 to 27 January 2021.

Auditor's Independence Declaration

The auditor's independence declaration in accordance with Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012* for the year ended 30 April 2021 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

President: 
Mike Stephens

Treasurer: 
Peter Dowling

Dated 2 September 2021

Ballaarat Mechanics Institute

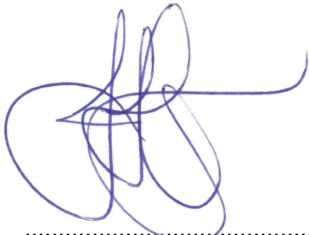
ACN 004 034 575

Auditors Independence Declaration under Division 60 of the Australian Charities and Not-for-profit Commission Act 2012 to the Directors of Ballaarat Mechanics Institute

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Jason Hargreaves', is written over a dotted line.

Jason Hargreaves
Director

20 Lydiard Street South, Ballarat

1 September 2021

Ballaarat Mechanics Institute

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Statement of Comprehensive Income For the Year Ended 30 April 2021

	2021	2020
	\$	\$
INCOME		
Rent		
Committee Room	-	30
Hooper Room	173	12,917
Humffray Room	6,327	8,756
Kitchen	299	818
Minerva Space	3,945	29,602
Room Hire - Fees and Charges	1,762	2,292
Shops and Wall	40,876	41,093
Sutton Room	31,048	24,864
Williamson Foyer	705	4,084
	85,135	124,456
Library		
Book Club	173	139
Corporate Memberships	-	986
Fees & Charges	795	1,739
Merchandise	-	(2,289)
Subscriptions	26,960	26,739
Sundry Income	3,008	3,452
	30,936	30,766
Fundraising		
Donations	35,784	16,539
Friends of Minerva	-	1,261
	35,784	17,800
Other		
Bar Takings	2,865	23,918
Bond Forfeitures	-	1,155
Cashflow Boost	13,721	10,000
Dept Jobs, Precincts & Regions	7,000	-
Functions	7,958	10,545
Fundraising	1,565	200
Interest	286	651
Job-Keeper Subsidy	118,350	12,000
Live Music Venues Program Income	75,250	-
Max Harris Income	925	845
Minerva Book Sales	2,685	2,046
Other Income	322	2,614
Photocopying	2	95
Pop Up Shop	3,235	9,471
Tours	464	309
Twilight Lectures	2,287	7,179
Vic Govt Business Support Grant	20,000	-
	256,915	81,028
	408,770	254,050

The accompanying notes form part of these financial statements.

Ballaarat Mechanics Institute

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**Statement of Comprehensive Income
For the Year Ended 30 April 2021**

	2021	2020
	\$	\$
EXPENDITURE		
Accounting Fees	3,850	-
Advertising	2,156	8,759
Agent's Commissions & Fees	3,624	3,403
Artists for Functions	5,202	7,704
Audit Fees	4,650	4,500
Audit Fees - BMI Foundation	1,500	-
Bad & Doubtful Debts Expense	3,048	1,424
Bank Charges & Merchant Fees	1,194	1,545
Cafe Minerva	-	90
Catering & Bar	1,644	8,974
Cleaning	6,032	11,692
Consulting	2,201	-
Discount for Function Space	1,116	1,516
Fees and Permits	1,195	509
Fire Protection	2,454	4,064
Friends of Minerva - Fundraising Expenses	-	107
Gas & Electricity	8,084	13,691
Insurance	25,708	26,139
Library Supplies	-	80
Live Music Venues Program Expenses	43,107	-
Minor Equipment	1,251	189
Other	711	1,401
Printing & Stationery	6,383	6,485
Rates	784	(684)
Registration Fees	2,610	3,699
Repairs & Maintenance	26,742	18,287
Software Expense	4,173	1,368
Staff Costs	1,106	1,500
Staff Remuneration	210,569	193,486
Telephone & Internet	3,287	4,351
Water	2,381	2,301
Website Expenses	1,365	129
	<u>378,127</u>	<u>326,709</u>
Operating Surplus/(Deficit) for the Year	30,643	(72,659)
Capital Income	9,230	70,822
Capital Expenditure	(25)	(7,819)
Depreciation	(103,789)	(97,409)
Net Deficit for the Year	(63,941)	(107,065)
Other Comprehensive Income		
Revaluation Increment of Land and Buildings	-	2,244,470
Other Comprehensive income for the year	-	2,244,470
Total Comprehensive Income	(63,941)	2,137,405

The accompanying notes form part of these financial statements.

Ballaarat Mechanics Institute

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Statement of Financial Position

As at 30 April 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	290,861	197,000
Trade and Other Receivables	4	11,570	34,544
Inventories	5	2,815	-
TOTAL CURRENT ASSETS		305,246	231,544
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	4,917,070	4,998,649
TOTAL NON-CURRENT ASSETS		4,917,070	4,998,649
TOTAL ASSETS		5,222,316	5,230,193
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	37,852	54,652
Income in Advance	8	154,711	90,030
Provisions	9	40,718	32,135
TOTAL CURRENT LIABILITIES		233,281	176,817
NON-CURRENT LIABILITIES			
Provisions	9	1,894	2,294
TOTAL NON-CURRENT LIABILITIES		1,894	2,294
TOTAL LIABILITIES		235,175	179,111
NET ASSETS		4,987,141	5,051,082
EQUITY			
Retained Earnings		873,570	937,511
Asset Revaluation Reserve		4,113,571	4,113,571
TOTAL EQUITY		4,987,141	5,051,082

The accompanying notes form part of these financial statements.

Ballaarat Mechanics Institute

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Statement of Changes in Equity For the Year Ended 30 April 2021

2021

	Retained Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 May 2020	937,511	4,113,571	5,051,082
Net Deficit attributable to members	(63,941)	-	(63,941)
Balance at 30 April 2021	873,570	4,113,571	4,987,141

2020

	Retained Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 May 2019	1,044,576	1,869,101	2,913,677
Net Deficit attributable to members	(107,065)	-	(107,065)
Revaluation Increment	-	2,244,470	2,244,470
Balance at 30 April 2020	937,511	4,113,571	5,051,082

The accompanying notes form part of these financial statements.

Ballaarat Mechanics Institute

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Statement of Cash Flows For the Year Ended 30 April 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	437,182	212,739
Payments to Suppliers and Employees	(395,308)	(315,821)
Capital Grants Received	73,911	153,522
Interest Received	286	651
Net Cash Provided by Operating Activities	10 <u>116,071</u>	<u>51,091</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	<u>(22,210)</u>	(20,434)
Net Cash Used in Investing Activities	<u>(22,210)</u>	<u>(20,434)</u>
Net Increase in Cash and Cash Equivalents Held	93,861	30,657
Cash and Cash Equivalents at Beginning of Year	197,000	166,343
Cash and Cash Equivalents at end of Financial Year	3 <u><u>290,861</u></u>	<u><u>197,000</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 April 2021

1 Basis of Preparation

The directors have prepared the financial statements on the basis that the Institute is not a reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore a special purpose financial report that has been prepared in order to meet the requirements of section 60.40 of the *Australian Charities and not-for-profits Commission Regulations 2013*. The Institute is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Financial Statements have been prepared in accordance with mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes.

These financial statements comply with all the recognition and measurement requirements in the Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Institute have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements For the Year Ended 30 April 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

Grant Revenue

Where grant revenue arises from an agreement which is enforceable and contain sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Other income

Revenue recognised under AASB 1058 is recognised at the time of receipt.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(c) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(d) Property, Plant and Equipment

Land & Buildings have been recorded at Market Value, based on a valuation performed by Leader Property Practice on 12th May 2020. Any items recorded at cost relate to capital works currently been completed and are not in use.

Plant & Equipment are initially recorded at cost. 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.

Fixed assets are depreciated over their estimated useful lives to the Institute. Depreciation rates used for each class of depreciable asset vary between 2% and 100%.

(e) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 April 2021

2 Summary of Significant Accounting Policies

(e) Financial Instruments

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

Notes to the Financial Statements

For the Year Ended 30 April 2021

2 Summary of Significant Accounting Policies

(e) Financial Instruments

Financial Assets

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

In some circumstances, the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yield on notional government bonds with terms to maturity that match the expected timing of cashflows.

**Notes to the Financial Statements
For the Year Ended 30 April 2021**

2 Summary of Significant Accounting Policies

(g) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

3 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on Hand	1,200	1,419
Cash at Bank	289,661	195,581
	290,861	197,000

4 Trade and Other Receivables

Trade Receivables	7,505	13,283
Less Provision for Doubtful Debts	(3,787)	(739)
	3,718	12,544
Other Receivables	-	22,000
Prepayments	7,852	-
	11,570	34,544

5 Inventories

Bar Stock - At Cost	2,815	-
	2,815	-

Ballaarat Mechanics Institute

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Notes to the Financial Statements For the Year Ended 30 April 2021

6 Property, Plant and Equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
At Valuation - 2020	4,860,000	4,860,000
Work in Progress	14,976	4,800
Accumulated Depreciation	(67,740)	-
	<u>4,807,236</u>	<u>4,864,800</u>
PLANT AND EQUIPMENT		
At Cost	500,921	496,136
Accumulated Depreciation	(436,655)	(410,152)
	<u>64,266</u>	<u>85,984</u>
LIBRARY		
At Cost	241,378	234,129
Accumulated Depreciation	(195,810)	(186,264)
	<u>45,568</u>	<u>47,865</u>
	<u>4,917,070</u>	<u>4,998,649</u>

(a) Movements in carrying amounts of property, plant and equipment

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

	Land & Buildings	Plant & Equipment	Library	Total
	\$	\$	\$	\$
Balance at the beginning of year				
Balance at the beginning of year	4,864,800	85,984	47,865	4,998,649
Additions	10,176	4,785	7,249	22,210
Depreciation Expense	(67,740)	(26,503)	(9,546)	(103,789)
Balance at the end of the year	<u>4,807,236</u>	<u>64,266</u>	<u>45,568</u>	<u>4,917,070</u>

Ballaarat Mechanics Institute

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Notes to the Financial Statements For the Year Ended 30 April 2021

7 Trade and Other Payables

	2021	2020
	\$	\$
Trade Creditors	2,932	16,760
GST Payable	20,859	18,019
PAYG Tax Withheld	2,256	10,265
Superannuation Liability	-	428
Bonds Held	11,805	9,180
	<u>37,852</u>	<u>54,652</u>

8 Income in Advance

Income in Advance	<u>154,711</u>	<u>90,030</u>
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9 Provisions

CURRENT

Provision for Annual Leave	13,570	6,444
Provision for Long Service Leave	27,148	25,691
	<u>40,718</u>	<u>32,135</u>

NON-CURRENT

Provision for Long Service Leave	1,894	2,294
	<u>1,894</u>	<u>2,294</u>

10 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Deficit for the Year	(63,941)	(107,065)
Non-cash flows in Deficit		
- Depreciation	103,789	97,409
Changes in Assets and Liabilities		
- (Increase)/Decrease in Trade and Other Receivables	22,974	(16,186)
- (Increase)/Decrease in inventories	(2,815)	-
- Increase/(Decrease) in Income in Advance	64,681	58,226
- Increase/(Decrease) in Trade and Other Payables	(16,800)	19,529
- Increase/(Decrease) in Provisions	8,183	(822)
Cashflows from Operations	<u>116,071</u>	<u>51,091</u>

Ballaarat Mechanics Institute

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Notes to the Financial Statements For the Year Ended 30 April 2021

11 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records unrealised gains on the revaluation of land and buildings.

12 Capital Commitments

The Institute has \$164,820 of capital commitments outstanding as at 30 April 2021. The commitment relates to the completion of restorative works on the Basement at 113-121 Sturt Street, Ballarat. The project has been fully funded by the Victorian Department of Environment, Land, Water and Planning and is due for completion in July 2021.

13 Events after the end of the Reporting Period

The financial report was authorised for issue on 2 September 2021 by the board of directors.

On the 11 March 2020, the World Health Organisation (WHO) confirmed the Coronavirus Disease (COVID-19) to be a pandemic. At the date of this report, the pandemic continues to affect economic and social conditions across Australia. Subsequent to the end of the financial year the Victorian State Government has enforced four lockdowns in regional Victoria and travel restrictions to neighbouring states, significantly impacting the operations of the Company. At the date of this report, the Company is of the opinion that there is no effect on the financial position or financial performance of the Company as reported in these financial statements for the year ended 30 June 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

14 Institute Details

The registered office of the Institute is:

117 Sturt Street
BALLARAT VIC 3350

Ballaarat Mechanics Institute

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Directors' Declaration

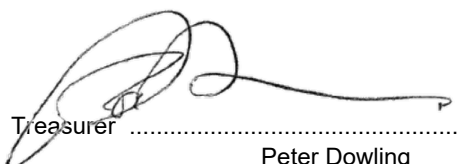
The Directors declare that in their opinion:

- there are reasonable grounds to believe that the Institute is able to pay its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

President

Mike Stephens

Treasurer

Peter Dowling

Dated 2 September 2021

Ballaarat Mechanics Institute

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Independent Audit Report to the members of Ballaarat Mechanics Institute

Opinion

We have audited the financial report of Ballaarat Mechanics Institute (the Institute), which comprises the statement of financial position as at 30 April 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Institute's financial position as at 30 April 2021 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Institute in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Institute, would be in the same terms if given to the directors as at the same time of this auditor's report.

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

Responsibilities of Management and the Directors

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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.

Ballaarat Mechanics Institute

ACN 004 034 575

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's 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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CountPro Audit Pty Ltd
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CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "Jason Hargreaves", is written over a horizontal dotted line.

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Jason Hargreaves
Director

20 Lydiard Street South, Ballarat

3 September 2021