

# **Ballaarat Mechanics Institute**

ACN 004 034 575

## **Financial Statements**

For the Year Ended 30 April 2018

# **Ballaarat Mechanics Institute**

ACN 004 034 575

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**For the Year Ended 30 April 2018**

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# Ballaarat Mechanics Institute

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## Directors' Report

30 April 2018

The Directors present this report on the Institute for the financial year ended 30 April 2018.

### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Philip Roberts	President	
Prof Terry Lloyd	Vice President (Library)	
Mike Stephens	Vice President (Building)	
Ross Furness	Secretary	
Grantley Hastings	Treasurer	
Wendy Graham	Director	
Graham Gooding	Director	Resigned 28/06/2017
David Berry	Director	
Andrew Miller	Director	
Prof John McDonald	Director	
Andrew Wallace	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 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 2018 the collective liability of members was 502 pounds (\$1,004).

### Information on directors

Philip Roberts	President
Responsibilities	Ex-officio on all committees
Experience	Author, Retired School Principal, BA, MEd
Prof Terry Lloyd	Vice President (Library)
Responsibilities	Library Committee and Building Committee
Experience	Retired University Deputy Vice-Chancellor
Mike Stephens	Director / VP (Building)
Responsibilities	Building Committee and Finance Committee
Qualifications	Agriculture Consultant, Dip FM, MSc, FAIA, FAICD, Churchill Fellow
Ross Furness	Secretary
Responsibilities	Finance Committee and Building Committee
Experience	Human Resources Manager
Grantley Hastings	Treasurer
Responsibilities	Finance Committee
Experience	BCom, BComp, CA, CTA

# Ballaarat Mechanics Institute

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## Directors' Report

30 April 2018

Wendy Graham	Director
Responsibilities	Marketing Committee
Experience	School Principal, Education Consultant, BST, DPT
Graham Gooding	Director
Responsibilities	Building Committee
Experience	Retired Mining Engineer and Mine Inspector
Qualifications	MIE CPEng
Retired	28 June 2017
David Berry	Director
Responsibilities	Marketing Committee and Finance Committee
Experience	Retired Engineer, IT Specialist, Management Consultant
Qualifications	BEng (Civil), BCompSc, MBA
Andrew Miller	Director
Responsibilities	Building Committee
Experience	BEng (Civil)
Prof John McDonald	Director
Responsibilities	Library Committee
Experience	University Professor
Andrew Wallace	Director
Responsibilities	Library Committee
Experience	School Teacher

### Meetings of directors

During the financial year, 10 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
Philip Roberts	10
Prof Terry Lloyd	7
Andrew Miller	8
Ross Furness	8
Grantley Hastings	10
Wendy Graham	8
Graham Gooding	1
David Berry	10
Mike Stephens	9
Prof John McDonald	4
Andrew Wallace	3

**Ballaarat Mechanics Institute**

ACN 004 034 575


**Directors' Report**

**30 April 2018**

**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 2018 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: .....  
  
Philip Roberts

Treasurer: .....  
  
Grantley Hastings

Dated 27 June 2018

**Ballaarat Mechanics Institute**

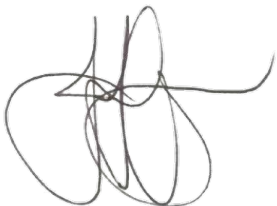
ACN 004 034 575

**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 2018, 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.

*P.P.T. Audit Pty Ltd*  
PPT Audit Pty Ltd



.....  
Jason Hargreaves  
Director

20 Lydiard Street South, Ballarat

27 June 2018

# Ballaarat Mechanics Institute

ACN 004 034 575

## Statement of Comprehensive Income For the Year Ended 30 April 2018

	2018	2017
	\$	\$
<b>INCOME</b>		
<b>Rent</b>		
Committee Room	251	182
Hooper Room	13,158	20,992
Humffray Room	34,032	31,223
Kitchen	1,366	700
Minerva Space	23,314	31,523
Shops and Wall	37,477	33,060
Sutton Room	26,854	27,803
Williamson Foyer	4,941	8,842
	<hr/>	
	141,393	154,325
<b>Library</b>		
Book Club	299	618
Corporate Memberships	1,909	2,655
Fees & Charges	285	165
Merchandise	723	5,290
Subscriptions	27,981	27,009
	<hr/>	
	31,197	35,737
<b>Fundraising</b>		
Donations	5,844	10,431
Friends of Minerva	4,012	2,418
	<hr/>	
	9,856	12,849
<b>Other</b>		
Bar Takings	11,264	-
Functions	2,420	1,850
Interest	1,139	1,542
Max Harris Income	4,285	698
Minerva Book Sales	580	582
Open Day 2016	-	4,999
Other Income	227	3,380
Photocopying	221	140
Tours	132	-
Twilight Lectures	7,481	6,040
White Night	6,595	-
	<hr/>	
	34,344	19,231
	<hr/>	
	216,790	222,142
	<hr/>	

The accompanying notes form part of these financial statements.

# Ballaarat Mechanics Institute

ACN 004 034 575

## Statement of Comprehensive Income For the Year Ended 30 April 2018

	2018	2017
	\$	\$
<b>EXPENDITURE</b>		
Accounting Fees	-	264
Advertising	2,857	4,783
Agents' Commissions & Fees	3,484	3,145
Audit Fees	3,550	3,900
Bank charges & Merchant Fees	831	1,172
Cafe Minerva	256	816
Catering & Bar	6,540	2,231
Cleaning	11,168	9,904
Doubtful Debts Expense	1,370	-
Fees and Permits	1,656	521
Fire Protection	7,204	1,635
Friends of Minerva - Fundraising Expenses	1,149	186
Gas & Electricity	7,575	11,095
Insurance	14,227	13,613
Library Supplies	225	733
Minor Equipment	1,539	6,767
Other	8,886	7,818
Printing & Stationery	6,779	5,883
Rates	250	-
Registration Fees	580	987
Repairs & Maintenance	19,443	14,092
Staff Costs	1,180	470
Staff Remuneration	103,518	100,303
Telephone & Internet	4,472	5,562
Water	1,541	1,286
Website Expenses	1,135	-
	<u>211,415</u>	<u>197,166</u>
<b>Operating Surplus for the year</b>	<b>5,375</b>	<b>24,976</b>
Capital Income	23,428	176,039
Capital Expenditure	-	-
Depreciation	<u>(92,935)</u>	<u>(118,714)</u>
<b>Net Surplus/(Deficit) for the year</b>	<b>(64,132)</b>	<b>82,301</b>
<b>Other comprehensive income</b>		
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(64,132)</b>	<b>82,301</b>

The accompanying notes form part of these financial statements.



# Ballaarat Mechanics Institute

ACN 004 034 575

## Statement of Financial Position 30 April 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	155,388	139,613
Trade and other receivables	4	13,498	25,855
TOTAL CURRENT ASSETS		<u>168,886</u>	<u>165,468</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,920,449	2,979,495
TOTAL NON-CURRENT ASSETS		<u>2,920,449</u>	<u>2,979,495</u>
TOTAL ASSETS		<u>3,089,335</u>	<u>3,144,963</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	43,497	22,108
Income in Advance	7	15,813	29,241
Provisions	8	22,680	22,137
TOTAL CURRENT LIABILITIES		<u>81,990</u>	<u>73,486</u>
TOTAL LIABILITIES		<u>81,990</u>	<u>73,486</u>
NET ASSETS		<u>3,007,345</u>	<u>3,071,477</u>
<b>EQUITY</b>			
Retained earnings		1,138,244	1,202,376
Asset Revaluation Reserve		1,869,101	1,869,101
TOTAL EQUITY		<u>3,007,345</u>	<u>3,071,477</u>

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 2018

2018

	Retained Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 May 2017	1,202,376	1,869,101	3,071,477
Net Deficit attributable to members	(64,132)	-	(64,132)
<b>Balance at 30 April 2018</b>	<b>1,138,244</b>	<b>1,869,101</b>	<b>3,007,345</b>

2017

	Retained Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 May 2016	1,120,075	1,869,101	2,989,176
Net Surplus attributable to members	82,301	-	82,301
<b>Balance at 30 April 2017</b>	<b>1,202,376</b>	<b>1,869,101</b>	<b>3,071,477</b>

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 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	227,664	262,837
Payments to suppliers and employees	(189,139)	(278,157)
Capital grants received	10,000	51,018
Interest received	1,139	1,096
Net cash provided by operating activities	9 <u>49,664</u>	<u>36,794</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(33,889)</u>	(190,172)
Net cash used in investing activities	<u>(33,889)</u>	<u>(190,172)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	15,775	(153,378)
Cash and cash equivalents at beginning of year	<u>139,613</u>	<u>292,991</u>
Cash and cash equivalents at end of financial year	3 <u><u>155,388</u></u>	<u><u>139,613</u></u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 April 2018**

#### **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 on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Income Tax**

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

##### **(b) Property, plant and equipment**

Land & Buildings have been recorded at Market Value, based on a valuation performed by Opteon Property Advisors on 15 August 2013. Any additions since that date have been recorded at cost.

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 Company. Depreciation rates used for each class of depreciable asset vary between 2% and 100%.

##### **(c) 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. The provision for long service leave includes the entity's legal obligations and has been accrued for employees with five or more years' service.

Liabilities have not been discounted to their present values.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

##### **(d) Income in Advance**

Capital grants received in relation to the building restoration and improvement projects are brought to account as income as the grants are expended. Unspent balances are included in the balance sheet as Income in Advance.

##### **(e) Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

**Notes to the Financial Statements  
For the Year Ended 30 April 2018**

**3 Cash and Cash Equivalents**

	2018	2017
	\$	\$
Cash on hand	491	1,289
Cash at bank	154,897	138,324
	<u>155,388</u>	<u>139,613</u>

**4 Trade and Other Receivables**

Trade receivables	14,241	25,963
Less provision for doubtful debts	(743)	(400)
GST receivable	-	292
	<u>13,498</u>	<u>25,855</u>

**5 Property, plant and equipment**

Land & Buildings - at Cost	494,188	494,188
Land & Buildings - at Valuation 2013	2,500,000	2,500,000
Less: Accumulated depreciation	(258,892)	(199,007)
	<u>2,735,296</u>	<u>2,795,181</u>
Plant & equipment	488,717	464,698
Less: Accumulated depreciation	(348,880)	(321,827)
	<u>139,837</u>	<u>142,871</u>
Library	215,774	205,903
Less: Accumulated depreciation	(170,458)	(164,460)
	<u>45,316</u>	<u>41,443</u>
<b>Total property, plant and equipment</b>	<u><b>2,920,449</b></u>	<u><b>2,979,495</b></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
	\$	\$	\$	\$
<b>Balance at the beginning of year</b>				
Balance at the beginning of year	2,795,181	142,871	41,443	2,979,495
Additions	-	24,019	9,870	33,889
Depreciation expense	(59,885)	(27,053)	(5,997)	(92,935)
<b>Balance at the end of the year</b>	<u><b>2,735,296</b></u>	<u><b>139,837</b></u>	<u><b>45,316</b></u>	<u><b>2,920,449</b></u>

## Ballaarat Mechanics Institute

ACN 004 034 575

### Notes to the Financial Statements For the Year Ended 30 April 2018

#### 6 Trade and other payables

	2018	2017
	\$	\$
Trade creditors	4,989	3,892
GST payable	14,860	-
PAYG tax withheld	9,152	6,402
Superannuation payable	1,012	574
Bonds held	8,710	8,460
Accrued expenses	4,774	2,780
	<u>43,497</u>	<u>22,108</u>

#### 7 Income in Advance

Income in Advance	<u>15,813</u>	<u>29,241</u>
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#### 8 Provisions

Provision for Long Service Leave	20,742	18,871
Provision for Annual Leave	1,938	3,266
	<u>22,680</u>	<u>22,137</u>

#### 9 Cash Flow Information

##### Reconciliation of result for the year to cashflows from operating activities

Surplus/(Deficit) for the year	(64,132)	82,301
Non-cash flows in surplus/(deficit)		
- depreciation	92,935	118,714
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	12,356	41,791
- increase/(decrease) in income in advance	(13,428)	(125,021)
- increase/(decrease) in trade and other payables	21,390	(86,560)
- increase/(decrease) in provisions	543	5,569
Cashflow from operations	<u>49,664</u>	<u>36,794</u>

#### 10 Company Details

The registered office of the company is:

117 Sturt Street  
BALLARAT VIC 3350

## Ballaarat Mechanics Institute

ACN 004 034 575

### Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of 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: .....  
  
Philip Roberts

Treasurer: .....  
  
Grantley Hastings

Dated 27 June 2018

**Ballaarat Mechanics Institute**

ACN 004 034 575

**Independent Audit Report to the members of Ballaarat Mechanics Institute****Opinion**

We have audited the financial report of Ballaarat Mechanics Institute (the Company), which comprises the statement of financial position as at 30 April 2018, 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 declaration by those charged with governance.

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

- (i) giving a true and fair view of the Company's financial position as at 30 April 2018 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 Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance**

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 the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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

# Independent Audit Report to the members of Ballaarat Mechanics Institute

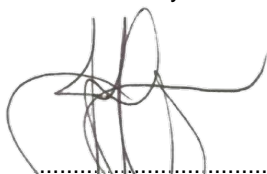
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

*P.P.T. Audit Pty Ltd*  
PPT Audit Pty Ltd



Jason Hargreaves  
Director

20 Lydiard Street South, Ballarat

27 June 2018