

SURRY HILLS NEIGHBOURHOOD CENTRE CO OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

Note 1 : Statement of Significant Accounting Policies

This is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Co-operatives Act New South Wales.

The financial report covers Surry Hills Neighbourhood Centre Co-operative Limited as an individual entity. Surry Hills Neighbourhood Centre Co-operative is a Co-operative incorporated in New South Wales under the Co-operative Act 1992.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Co operative in the preparation of the financial report. The Accounting policies have been consistently applied unless otherwise stated.

(a) Income Tax

The Co-operative adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the profit from ordinary activities before income tax adjusted for any permanent differences.

Non-member income of the Co-operative is only assessable for tax, as member income is excluded under the principle of mutuality.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated Depreciation.

Furniture, Fittings & Equipment

Furniture Fittings and Equipment are measured on the cost Basis.

The carrying amount of Furniture, Fittings and Equipment is reviewed annually by the Co-operative to ensure it is not in excess of the recoverable amount from those 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 not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Co-operative commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings & Equipment	8% to 20%

(c) Employee Entitlements

Provision is made for the Co-operative's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements are expected to be settled within one year. These entitlements arising from wages and salaries, annual leave and long service leave have been measured at their nominal amount.

Contributions are made by the Co-operative to an employee Superannuation fund and are charged as expenses when incurred.

(d) Cash

For the purposes of the Statement of Cash flows, cash includes cash on hand, at banks and on deposit.

(e) Revenue

Revenue from Childcare services is recognised upon delivery of those services to customers.

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

Revenue from grants are recognised as income on receipt of those funds.

Revenue from Market operations are recognised as income on receipt of those funds.

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

Note 2 : Revenue

Operating Activities	2005	2004
- Grants	155,958	164,186
- Donations & Sponsorship	10,213	5,626
- Care Fees	130,648	129,826
- Markets Festival Revenue	124,997	132,676
- Property Hire	10,995	12,098
- Sundry Income	402	916
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	433,213	445,328
Non Operating Activities		
- Interest	1,629	308
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Total Revenue	434,842	445,636
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Note 3 : Profit / (Loss) from ordinary Activities.

Profit from ordinary activities before income tax expense has been determined after:

(a) Expenses

- Remuneration of Auditor	1,000	4,100
- Bad Debts	Nil	3,982

(b) Significant Expenses

- Contract Labour	24,730	25,594
- Equipment Hire	25,895	28,474

Note 4 : Income Tax Expense

The Co operative is not liable for Income tax as a non-profit organisation

Nil	Nil
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Note 5 : Cash Assets

Cash on Hand	980	980
Cash at Bank	64,340	71,286
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	65,320	72,260
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Note 6 : Other Assets

Prepayments	5,884	4,650
Other Debtors	8,472	6,878
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	14,356	11,528
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Note 7 : Furniture, Fittings & Equipment

Furniture, Fittings & Equipment at cost	41,468	33,884
Less Accumulated Depreciation	33,642	30,233
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	7,826	3,651
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Note 7 : Furniture Fittings & Equipment (continued)

	2005	2004
Furniture, Fittings & Equipment		
Opening Balance	33,884	32,791
Additions	7,584	1,093
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	41,468	33,884
	=====	=====
Accumulated Depreciation		
Opening Balance	30,233	26,781
Depreciation	3,409	3,452
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Closing Balance	33,642	30,233
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Rates of depreciation	8% to 20%	8% to
20%		

Note 8 : Payables

ATO - GSTax	2,446	3,161
Creditors & Accruals_	12,286	20,842
Income received in Advance	5,572	6,353

Note 9 : Provisions

Employee Annual Leave	26,813	22,610
Employee Long Service	10,290	8,682
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	37,103	31,292

Note 10 : Retained Profits (Losses)

Balance 1 July	25,530	17,317
Net Profit (Loss) attributed to The Co operative	4,174	8,090
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Balance 30 June	29,704	25,407

Note 11 : Contingent Liabilities

NIL NIL

The committee have made appropriate evaluation, as to the Co operative's contingent liabilities and have concluded that the Co-operative has no contingent liabilities.

Note 12 : Events Subsequent to Balance Date

The committee has determined that there are no events subsequent to balance date that affects the normal operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in future financial years.

Note 13 : Related Parties

Since the end of the previous year, no committee member has received or become entitled to receive, a benefit by reason of a contract made by the Co-operative with a committee member or a firm in which he/she is a member or with a company in which he/she has substantial interest.

Note 14 : Segment Reporting

The Co-operative provides community services and activities, including child care to the Surry Hills district within Australia.

Note 15 : Co operative's Details

The principal place of business of the Co-operative is:

Anthony Doherty Hall
Collins and Norton Streets
Surry Hills NSW 2010