

BAYSIDE MEN'S SHED GROUP Inc

MINUTES OF SPECIAL COMMITTEE MEETING

1200 on 8 November 2022
Wells Rd Meeting Room

Subject	Discussion	Action
Present:	John McCarthy (JMcC) – <i>President</i> John McMahon (JMCM) – <i>Vice President</i> David Hill (DH) – <i>Secretary</i> Peter Keenan (PK) – <i>Treasurer</i> Alan Holliday (AH), Don McDonald (DMcD), Rob Carseldine (RC), John Knight (JK), Paul Crompton (PC), David Wells(DW), Ian McLennan (IMcL), Anthony Mason (AM), John Flint (JF)	Noted
Apologies:	Charlie Rosa (CR)	Noted.
	PROXY VOTES were handed to President/Secretary by : Charlie Rosa (CR)	Noted.
Special Business:	The Treasurer presented to the Committee the Sheds financial statements for the year ended 30 June 2022, which have been externally audited by Mark Fisher, Chartered Accountant. It was proposed that Committee certify that the financial statements give a true and fair view of the financial performance and position of the Shed Association during and at the end of the financial year ending 30 June 2022. Motion moved by DW and Seconded by JK.	Audit Report attached Motion carried unanimously
Meeting Closed.	Meeting closed at 1215	Noted.
Next Meeting:	AGM Tuesday 8 November 2022	Action Secretary

Mark D Fisher
55 Tulip St
Sandringham, VIC 3191

0418 395 201
mark@fwgs.com.au

25 October 2022

**The Committee
Bayside Mens Shed Group Inc
ABN 47 148 759 808
36 Bonanza Road
BEAUMARIS VIC 3193**

Dear Sirs,

Audit Report on Financial Statements for Year Ended 30 June 2022

Introduction

Under the Associations Incorporation Reform Act 2012 (the Act), the Bayside Mens Shed Group Inc. (the association) is a Tier 1 association because its' total revenue is less than \$250,000. A Tier 1 association is not required to have its financial statements externally reviewed or audited unless its' rules state otherwise, or a majority of its' members vote to do so at a general meeting, or the Registrar of Incorporated Associations directs it to do so. None of these situations apply to this association.

However, it is a requirement of the Bayside City Council (as landlord of the premises at 36 Bonanza Road and 78 Wells Road Beaumaris) that the accounts of the association be audited.

Review and Report

At the request of the association's committee, I have carried out an internal review and audit of the accompanying financial report of the association, which comprises of the balance sheet as at 30 June 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and more details regarding some assets, income and expenditure.

I am a qualified Chartered Accountant holding a Certificate of Public Practice, and I am independent of the association.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012

The committee determines what internal control is necessary to enable the preparation of the financial report so that it gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Conclusion

During my review and audit I have not become aware of any matter that makes me believe that the financial report of the association is not in accordance with the Associations Incorporation Reform Act 2012, including requirements that:

- a) The financial report gives a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) The financial report complies with Australian Accounting Standards as referred to in Note 1 to the financial statements

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Mark Donald FISHER', with a long horizontal stroke extending to the left.

Mark Donald FISHER
Tax Agent 25813 106
ICAA NZ Member 76770 Holding A Full Practicing Certificate

Bayside Mens Shed Group Inc

36 Bonanza Road, Beaumaris VIC 3193

ABN 47 148 759 808

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

The accompanying notes form part of these financial statements.

Balance Sheet as at 30 June 2022

		2022	2021
	Note	\$	\$
Asset			
Current assets			
Cash and cash equivalents	3	17,342	25,046
Accounts receivable and other debtors	4	0	330
Total current assets		<u>17,342</u>	<u>25,376</u>
Non-current assets			
Machinery, furniture and tools	5	28,463	20,159
Accounts receivable and other debtors		0	0
Total non-current assets		<u>28,463</u>	<u>20,159</u>
Total assets		<u>45,805</u>	<u>45,535</u>
Liabilities			
Current liabilities			
Trade creditors and other payables	8	252	7,081
Short term borrowings		0	0
Total current liabilities		<u>252</u>	<u>7,081</u>
Non-current liabilities			
Long-term borrowings		0	0
Total non-current liabilities		0	0
Total liabilities		<u>0</u>	<u>0</u>
Net assets		<u>45,553</u>	<u>38,454</u>
Equity			
Asset revaluation reserve		9,535	9,535
Retained earnings		28,919	24,601
Current earnings		7,099	4,318
Net worth		<u>45,553</u>	<u>38,454</u>

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Income statement for the year ended 30 June 2022

		2022	2021
	Note		
Income			
Grants	9	6,998	3,839
Weekly fees		5,251	2,919
Donations and recoupments	7(a)(b)(c)	4,005	4,133
Contributions to insurances		2,476	2,076
Donations in kind	7(d)	2,300	0
Events		1,280	0
Fundraising receipts		360	0
Joining fees		90	105
Clothing sales less costs		75	0
Total revenue		22,835	13,072
Expense			
Depreciation		4,586	2,852
Events expenses		3,608	0
Refreshments & sustenance		2,046	1,099
Insurances		1,624	1,299
Machinery and tools <\$500		1,195	373
Consumables		1,083	57
Machinery and tools – repairs		408	647
General expenses		381	83
Internet		373	300
Wells Road activities		188	0
Office expenses		122	731
Associations – VMSA and AMSA		55	55
Materials	7(b)	47	1,019
Moving and relocation costs		20	0
Specific grant - Covid Grant exp		0	239
Total expenditure		15,736	8,754
Net income for the year		7,099	4,318

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Statement of changes in equity for year ended 30 June 2022

	Retained surplus \$
Balance at 1 July 2020	24,601
Net income for the year	4,318
Balance at 30 June 2021	<u><u>28,919</u></u>

Balance at 1 July 2021	28,919
Net income for the year	7,099
Balance at 30 June 2022	<u>36,018</u>

	Asset Revaluation Reserve \$
Balance at 1 July 2020	9,535
Changes during the year	0
Balance at 30 June 2021	<u>9,535</u>

Balance at 1 July 2021	9,535
Changes during year	0
Balance at 30 June 2022	<u>9,535</u>

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Statement of Cash Flows for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash from operating activities			
Net income (per Income Statement)		7,099	4,318
Adjustments to Cash:			
Add back Depreciation		4,586	2,852
Deduct Donations in kind		(2,300)	0
Add back decrease in trade debtors		330	270
(Decrease)/Increase in accounts payable		(1,331)	1,113
(Decrease)/Increase in obligation (Grant)		(5,498)	5,750
Net cash provided by operating activities	6(b)	2,886	14,303
Cash flows from investing activities			
Purchase of tools > \$500		0	0
Purchase of machinery and equipment		(6,042)	0
Purchase of furniture etc (Wells Road)		(4,548)	0
Increase in Petty Cash fund		0	0
Net cash used in investing activities		(10,590)	0
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayments of borrowings		0	0
Net cash provided by/(used in) financing activities		0	0
Net increase/(decrease) in cash held		(7,704)	14,303
Cash at beginning of financial year		25,046	10,743
Cash at end of financial year	6(a)	17,342	25,046
Summary:			
Cash at beginning of financial year		25,046	10,743
Plus Cash from operating activities		2,886	14,303
Less Cash spent on investing activities		(10,590)	0
Cash at end of financial year		17,342	25,046

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

1. Statement of significant accounting policies

a) Statement of compliance

The committee has determined that the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report is a special purpose financial report which has been prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*.

These financial statements have been prepared in accordance with following Australian Accounting Standards:

AASB 13	Fair Value Measurement
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases (But see note at AASB 1058)
AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 116	Property, Plant and Equipment
AASB 136	Impairment of Assets
AASB 1031	Materiality
AASB 1048	Interpretation of Standards
AASB 1053	Application of Tiers of Australian Accounting Standards
AASB 1054	Australian Additional Disclosures
AASB 1058	Income of Not-for-Profit Entities

Note: The temporary exemption from fair-valuing peppercorn leases not-for-profit (NFP) entities the "cost" option has been adopted

AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
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b) Basis of measurement

The financial statements, except for cash flow information, have been prepared on an accrual basis of accounting.

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

2. Statement of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Plant and equipment

Each class of plant, equipment and furniture is carried at its fair value at the date of revaluation, less any subsequent accumulated depreciation and any subsequent impairment losses. From time to time revaluations are made to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Where an asset is acquired for nil or nominal cost, the cost is its fair value at the date of acquisition.

Tools, machinery and furniture

Tools, machinery and furniture are measured on the fair value basis.

The carrying amount of tools, machinery and furniture is reviewed annually by the committee members to ensure that it is not in excess of the recoverable amount from these assets. Where an asset is acquired for nil or nominal cost, the cost is its fair value at the date of acquisition.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready to use.

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

Machinery and equipment	10%.
Tools	10%
Office Equipment and Furniture	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 recognised immediately in profit and loss.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

b) Impairment

At each reporting date the committee assesses whether there is objective evidence that a financial asset has been impaired. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

c) Leases

The association operates from premises at 36 Bonanza Road, Beaumaris, Vic. Since its inception in 2009 the association has leased these premises, rent-free, from the Bayside City Council (BCC). In March 2022 BCC granted the association the right to occupy a second building at 76-78 Wells Road, Beaumaris, which adjoins the rear of the Bonanza Road property. A lease of this additional building was granted in June 2022, and it too is rent-free.

Pursuant to the leases, BCC pays for services including electricity, gas and water.

BCC is entitled to charge the association a rent of \$1.00 per annum plus GST for each premise.

Under Australian Accounting Standard AASB 16 the association has elected to measure these leases at cost, which is nil.

c) Income tax

The association is a not-for-profit entity (NFP). It has self-assessed as having an income tax exempt status under the Income Tax Assessment Act 1997 (the Tax Act) and meeting the additional requirements under the Tax Act. Alternatively, the association believes that its income is not taxable income because of the mutuality principle, and/or because its net income is below the taxable threshold.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities cash within three months.

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Donation income and grant income is recognised when the entity obtains control over the funds or property, which is generally at the time of receipt; however conditional Grant income is not recognised until the funds are expended.

"Donations and Recoupments" includes several classes of revenue but mostly moneys received in respect of work performed for community and educational organisations. See also Note 7.

f) Goods and services tax (GST)

The association is not registered for GST. Therefore, it cannot claim a credit for GST included in the price of its purchases and expenses. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

g) Trade creditors and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days on recognition of the liability.

	2022 \$	2021 \$
3. Cash and cash equivalents		
Cash on hand	0	0
Cash at bank	17,342	25,046
	17,342	25,046
4. Account receivables and other debtors		
Trade receivables	0	330
Other receivables	0	0
	0	330

5. Property, plant and equipment

	Machinery and equipment	Office equipment and furniture	Furniture and equipment – Wells Rd	Tools >\$500	TOTAL
	\$	\$	\$	\$	\$
At 1 July 2021					
Cost	22,450	1,730	0	1,683	25,863
Accumulated depreciation	4,490	864	0	350	5,704
	17,960	866	0	1,333	20,159
Net book amount					
At 30 June 2022					
Opening net book amount	17,960	866	0	1,333	20,159
Acquisitions at cost	6,042	0	4,548	0	10,590
Donations in kind at fair value	0	0	2,300	0	2,300
Depreciation charge	(2,848)	(433)	(1,137)	(168)	(4,586)
	21,154	433	5,711	1,165	28,463
Closing net book amount					
At 30 June 2022					
Cost	28,492	1,730	6,848	1,683	38,753
Accumulated depreciation and impairment	7,338	1,297	1,137	518	10,290
	21,154	433	5,711	1,165	28,463
Net book amount					

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

Note 5 (continued):

Other items of machinery and tools costing less than \$500 are treated as expenses in the year of purchase rather than assets. In the current year this expense was \$1,195 (2020/21 \$373).

6. Cash flow information

Reconciliation of cash.

Cash at the end of financial year as shown in cash flow statement is reconciled to items in the statement of financial position:

	2022	2021
	\$	\$
Cash and cash equivalents	17,342	25,046
Bank overdraft	0	0
a)	<u>17,342</u>	<u>25,046</u>

Reconciliation of net cash provided by operating activities to net income

Net income from ordinary activities	7,099	4,318
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Non-cash flows in profit

Depreciation	4,586	2,852
Donations in kind	(2,300)	0

Changes in assets and liabilities:

(Increase)/decrease in receivables	330	270
Increase/(decrease) in payables	(1,331)	1,113
Increase/(decrease) in obligations (under Grant)	(5,498)	5,750

Net cash provided by operating activities	b)	<u>2,886</u>	<u>14,303</u>
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7. Donations and recoupments, and donations in kind

This additional information is designed to explain the abovementioned items in the Profit and Loss Statement for the year ended 30 June 2022.

(a) Analysis of Income account headed Donations and recoupments:

\$4,005

	\$	
Donations for work done	3,585	3,470
Sale of surplus tools, equipment and other items	390	663
Philanthropic donations	30	0
Total	<u>4,005</u>	<u>4,133</u>

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

Note 7 (continued):

(b) "Donations for work done" refers to donations by community and educational organisations and by individuals in appreciation of work done by the association on their project and job requests, and to compensate the association for outgoings incurred and supplies of stock used.

The associated cost of materials (timber and building supplies) used in this work is not shown separately in the association's ledger. Instead, both the costs of those materials bought for use on community projects, etc., and those bought for use by members on their own projects are recorded in the same ledger accounts ("Materials" and "Consumables"). Note, however, that the association obtains almost all its timber cost-free, in the form of off-cuts and the like donated to the association by certain manufacturers of timber products.

(c) From time to time the association disposes of tools and equipment that are surplus to the association's needs. The items disposed of comprise those purchased by the association in the past and those obtained now and again through donations from the community (e.g., people downsizing and deceased estates). Surplus tools and equipment are offered for sale to members of the association.

(d) "Donations in kind" refers to goods donated to the association by community and business organisations, and by individuals. The "fair value" of such goods is estimated by the association's president and secretary. During the year ended 30 June 2022 the following donations in kind were received to help furnish the association's new Well Road premises:

Goods	Donor	Fair value
Pool table	Sandringham Life Activities Club	\$1,000
Large table and 12 chairs	Sandringham Life Activities Club	\$500
Couch 1	Kim, 1/474 Beach Road, Beaumaris	\$200
Couch 2	Ron Gingold, Box Hill	\$200
Chair	R Payne, Beaumaris	\$200
Chess Set	A Mason, Beaumaris	\$100
Chess table	D Bough, Sandringham	\$100
TOTAL		\$2,300

These goods have been treated as assets and will be depreciated over time.

	2022	2021
	\$	\$
8. Trade and other payables		
Conditional Grant - Bendigo Bank - Sandringham Community		
Bank - Community Engagement \$1,500 - part unused	252	0
Bayside City Council – unused grant (repaid 2021/22)	0	1,331
Conditional Grant - Australian Department of Industry, Science, Energy and Resources	0	5,750
	<u>252</u>	<u>7,081</u>

Bayside Mens Shed Group Inc
36 Bonanza Road, Beaumaris VIC 3193

Notes to the financial statements for the year ended 30 June 2022

9. Grants

(a) Income from grants during the year ended 30 June 2022 comprises:

Grant received last year but spent in 2021/22 - Australian Department of Industry, Science, Energy and Resources > Stronger Communities Programme Round 6 – to purchase machinery	\$5,750
Grant from Bendigo Bank (see below) – expended part.	\$1,248
	<u>\$6,998</u>

(b) The association gratefully acknowledges receipt of the following grants during 2021/22:

Date/From/Purpose	\$
April 2022 > Bendigo Bank - Sandringham Community Bank - Community Engagement > to purchase furniture and equipment.	1,500
Note: This grant is conditional upon the association purchasing furniture and equipment to the value of the grant. A 75" Smart Television was purchased in 2021/22. The remainder of the grant will be treated as income when it is spent in 2022/23.	(252)
Total	<u>1,248</u>

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