

**MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

TABLE OF CONTENTS

	Page
Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	
Note 1 Association information	7
Note 2 Statement of significant account policies	7
Note 3 Employee benefits expenses	12
Note 4 Depreciation and amortisation expenses	12
Note 5 Cash and cash equivalents	12
Note 6 Financial assets	12
Note 7 Trade and other receivables	12
Note 8 Inventories	12
Note 9 Other assets	12
Note 10 Available-for-sale financial assets	13
Note 11 Property, plant and equipment	13
Note 12 Trade and other payables	15
Note 13 Interest-bearing liabilities	15
Note 14 Provisions	15
Note 15 Reserves	16
Note 16 Accumulated surplus	16
Note 17 Capital and leasing commitments	17
Note 18 Cash flow information	17
Note 19 Auditors' remuneration	17
Note 20 Contingent assets and liabilities	17
Note 21 Events subsequent to reporting date	17
Note 22 Foundation details	18
Note 23 Financial risk management	18
Note 24 Related party transactions	22
Statement by the Board	24
Independent Audit Report	

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Continuing operations			
<i>Revenue</i>			
- Residents' and clients' fees		2,431,028	2,281,727
- Investment income		307,550	138,487
- Federal Government grants		9,345,831	8,190,265
- State Government grants (Home and Community Care)		542,978	507,851
- Accommodation charges		602,983	482,512
- Donations and subscriptions		45,845	51,501
- Other revenue		197,810	181,600
		13,474,025	11,833,943
<i>Expenses</i>			
- Employee benefits expense	3	9,903,321	8,818,841
- Depreciation and amortisation expense	4	387,007	378,441
- Administration expense		335,287	315,213
- Catering expense		459,363	419,958
- Cleaning and laundry expense		449,766	437,109
- Client supplies and service expense		328,999	249,293
- Energy and utilities expense		179,022	156,397
- Fundraising expense		15,852	13,486
- Repairs and maintenance expense		360,650	364,968
- Other expenses		315,770	378,027
- Loss on sale of shares		152,082	-
- Finance costs		57,767	70,979
Total Expenses		12,944,886	11,602,712
Net surplus for the year		529,139	231,231
Other comprehensive income			
Net asset revaluation increment		42,714	-
Financial assets available-for-sale reserve:			
- Gain/(loss) taken to equity		-	147,585
Total comprehensive income for the year		571,853	378,816

The accompanying notes form part of these financial statements.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	919,753	1,002,656
Financial assets	6	6,173,521	4,730,927
Trade and other receivables	7	375,026	265,082
Inventories	8	18,510	18,810
Other assets	9	272,526	257,039
TOTAL CURRENT ASSETS		7,759,336	6,274,494
NON-CURRENT ASSETS			
Available-for sale financial assets	10	-	401,174
Property, plant and equipment	11	1,414,856	1,394,404
Other assets	9	500,650	727,956
TOTAL NON-CURRENT ASSETS		1,915,506	2,523,534
TOTAL ASSETS		9,674,842	8,798,028
CURRENT LIABILITIES			
Trade and other payables	12	905,858	923,066
Interest-bearing liabilities	13	232,459	213,222
Provisions	14	1,156,244	880,353
TOTAL CURRENT LIABILITIES		2,294,561	2,016,641
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	13	525,961	727,956
Provisions	14	1,932,500	1,893,787
TOTAL NON-CURRENT LIABILITIES		2,458,461	2,621,743
TOTAL LIABILITIES		4,753,022	4,638,384
NET ASSETS		4,915,620	4,159,644
MEMBERS' FUNDS			
Reserves	15	2,965,988	2,496,683
Accumulated surplus	16	2,049,832	1,662,961
TOTAL MEMBERS' FUNDS		4,915,620	4,159,644

The accompanying notes form part of these financial statements.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Reserves \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2009		2,214,674	1,566,154	3,780,828
Total comprehensive income for the year		147,585	231,231	378,816
Transfers (to)/from other reserves		(399,587)	399,587	-
Transfers (to)/from other reserves		534,011	(534,011)	-
Balance at 30 June 2010		2,496,683	1,662,961	4,159,644
Change in equity for the financial year		282,009	96,807	378,816
Balance at 1 July 2010		2,496,683	1,662,961	4,159,644
Total comprehensive income for the year		-	529,139	529,139
Net asset revaluation increment/(decrement)		42,714	-	42,714
Increment/(decrement) financial assets - shares		184,323	-	184,323
Transfers (to)/from other reserves		(478,222)	478,222	-
Transfers (to)/from other reserves		620,490	(620,490)	-
Balance at 30 June 2011	15, 16	2,865,988	2,049,832	4,915,820
Change in equity for the financial year		369,305	386,871	756,176

The accompanying notes form part of these financial statements.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from government grants (inclusive of GST)		9,888,809	8,698,116
Receipts from fees (inclusive of GST)		3,001,607	2,694,636
Sundry receipts		243,655	233,101
Payments to suppliers and employees (inclusive of GST)		(12,544,169)	(11,382,026)
interest received		307,550	215,628
Net cash provided by operating activities	18(b)	897,452	459,455
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(151,523)	(133,088)
Proceeds from investments		433,415	282,608
Payment for term deposits		(1,442,595)	(349,604)
Net cash (used in) investing activities		(1,160,703)	(200,084)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Council refurbishment fund		180,348	220,339
Net cash (used in) financing activities		180,348	220,339
Net increase in cash and cash equivalents held		(82,903)	479,710
Cash and cash equivalents at beginning of financial year		1,002,656	522,946
Cash and cash equivalents at end of financial year	18(a)	919,753	1,002,656

The accompanying notes form part of these financial statements.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: ASSOCIATION INFORMATION

The financial statements of the Manningham Centre Association Inc. ("the Association") for the year ended 30 June 2011 were authorised for issue in accordance with a resolution of the Board on 10 August 2011.

The Manningham Centre Association Inc. is incorporated in Victoria under the *Associations Incorporation Act 1981 (VIC)*.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act 1981 (VIC)*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Standards Not Previously Applied

The Association has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to the current reporting period from 1 July 2010. Disclosures required by these Standards that are deemed to be material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The Statement of Changes in Equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new Statement of Comprehensive Income. The Statement of Comprehensive Income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Association has elected to adopt the one statement approach.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 January 2009.

In May 2008 and April 2009 the AASB issued omnibus of amendments to its Standards as part of the Annual Improvements Project, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions and application dates for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Association.

- *AASB 101 Presentation of Financial Statements*: assets and liabilities classified as held for trading in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* are not automatically classified as current in the Statement of Financial Position. The Association amended its accounting policies accordingly and analysed whether management's expectation of the period of realisation of financial assets and liabilities is in accordance with *AASB 101*. This did not result in any re-classification of financial instruments between current and non-current in the Statement of Financial Position.
- *AASB 116 Property, Plant and Equipment*: replace the term "net selling price" with "fair value less costs to sell". The Association amended its accounting policy accordingly, which did not result in any change in the financial position.
- *AASB 136 Impairment of Assets*: when discounted cash flows are used to estimate "fair value less cost to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use".
- *AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process* introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. This amendment will require changes to the Association's disclosure. The impact of this amendment has yet to be determined.
- *AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process* introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. This amendment will require changes to the Association's disclosure. The impact of this amendment has yet to be determined.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(a) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period. The Association's assessment of the impact of those new standards and interpretations which are applicable to the Association is set out below.

- AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards from AASB 9* introduces new requirements for classifying & measuring financial assets. The impact of this amendment has yet to be determined. The amendment will become mandatory for the Association from 1 July 2013.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: Tier 1: Australian Accounting Standards; and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The amendment will become mandatory after 1 July 2013.

(b) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and on hand, deposits held at call with financial institutions, and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts, if any, are shown within short term borrowings in current liabilities on the Statement of Financial Position.

(d) Property, Plant and Equipment

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

Depreciation

The depreciable amount (acquisition costs less residual value) of all fixed assets is depreciated over their useful lives to the Association commencing from the time the asset was held ready for use.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Motor vehicles	10.0 – 16.7 %	Straight Line
Furniture and Fittings	5.0 – 25.0 %	Straight Line
Office Equipment	6.7 – 33.0 %	Straight Line
Plant & Equipment	7.0 – 25.0 %	Straight Line

The assets' residual values and useful lives are reviewed and adjusted, if appropriate at each year end date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the Statement of Comprehensive Income.

The Association reviewed the carrying value of the Land and Buildings category at balance date to ensure that it materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued to fair value. Fair value being either the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction where available markets exist, or otherwise at their current replacement cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

(e) Impairment of Assets

All assets of the Association, except for financial assets and inventories, are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Statement of Comprehensive Income.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rates expected to apply at the time of settlement inclusive of on costs. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Contributions made to defined contribution superannuation plans are expensed when incurred.

(h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Association substantially all the risks and benefits incidental to ownership of the leased item but not the legal ownership, are capitalised at the inception of the lease at the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are recognised as an expense in profit or loss for the period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Association will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(l) Revenue

Revenue is recognised in accordance with AASB 118 Revenue and is recognised to the extent it is earned. Unearned revenue at reporting date is reported as deferred income. Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

Revenue from sale of goods is recognised upon the delivery of goods to customers.

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

Interest revenue is recognised using the effective interest rate method.

Government grants are recognised when the Association gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants, the Association is deemed to have assumed control when the performance has occurred under the grant. For non reciprocal grants, the Association is assumed to have gained control when the grant is received or receivable. Conditional grants may be reciprocal or non reciprocal depending on the terms of the grant. Conditional grants may be appropriated to a reserve.

Donations and bequests are recognised as revenue when received. If the donations are for a special purpose, they may be appropriated to a reserve.

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

(j) 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 Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Payables

Payables are non derivative financial liabilities recognised at amortised cost, comprising original debt less principal payments and amortisation. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition.

(m) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions are outlined below.

(i) Significant accounting judgements

Impairment of non-financial assets

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

(ii) Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 3: EMPLOYEE BENEFITS EXPENSES			
Wages and salaries		8,248,685	7,455,991
Salaries oncost		1,654,436	1,362,850
		9,903,321	8,818,841
NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE			
Depreciation of non current assets			
- Building		14,447	14,447
- Motor vehicles		2,531	2,531
- Furniture and fittings		102,841	106,782
- Office Equipment		9,382	7,451
- Plant and Equipment		44,583	47,220
Depreciation of property, plant and equipment		173,785	178,431
Amortisation of capital improvement		213,222	200,010
Total depreciation and amortisation expense		387,007	378,441
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash on hand		2,500	2,000
Cash at bank		917,253	1,000,656
		919,753	1,002,656
NOTE 6: FINANCIAL ASSETS			
Deposits at call (a)		6,173,521	4,730,927
		6,173,521	4,730,927
<p>(a) Deposits at call include \$1,734,200 (\$1,553,852 for 2009/10) set aside for future building refurbishments in the Council refurbishment fund. By agreement with Council, the Association must deposit 1.0% of the estimated replacement cost of Doncaster Melaleuca Lodge, Cassia House, Doncaster Rehabilitation Services and Grevillea House into an interest bearing account each year for the purpose of future major structural alterations and works.</p>			
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		84,070	71,448
Other receivables		280,956	193,614
		375,026	265,062
NOTE 8: INVENTORIES			
CURRENT			
Stock on hand		18,510	18,810
NOTE 9: OTHER ASSETS			
CURRENT			
Prepayments		45,220	43,817
Facility access rights	(a)	227,306	213,222
		272,526	257,039
NON-CURRENT			
Facility access rights	(a)	500,650	727,956
		773,176	984,995

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Notes	2011 \$	2010 \$
NOTE 9: OTHER ASSETS (cont)		
(e) Manningham Council spent over \$6.5 million in 2003/04 to extend Cassia House by 30 new places and to renovate the building for 30 existing places. Under an agreement with Council, Manningham Centre will repay towards this expenditure a total amount of \$2,709,888 (\$1.97 million contribution plus interest) by 20 instalments over ten years. Since the year 2004/05, the first fourteen instalments have been paid.		
NOTE 10: AVAILABLE-FOR-SALE FINANCIAL ASSETS		
NON-CURRENT		
<i>Historical cost</i>		
- Investments in Australian listed shares	-	531,892
- Investments in property trusts	-	53,605
	-	585,497
Market Value as at 30 June 2011		
- Investments in Australian listed shares	-	366,839
- Investments in property trusts	-	34,335
	-	401,174
(a) At the reporting date shares and property trusts were all sold, therefore the portfolio of financial assets was closed.		
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
<i>BUILDINGS</i>		
Respite cottage and Gazebo		
At valuation as at 30 June 2011	459,000	-
Less accumulated depreciation	(42,800)	-
	416,200	-
At valuation as at 30 June 2010	-	421,000
Less accumulated depreciation	-	(24,765)
	-	396,235
Office building		
At valuation as at 30 June 2011	314,000	-
Less accumulated depreciation	(12,800)	-
	301,200	-
At valuation as at 30 June 2010	-	299,000
Less accumulated depreciation	-	(6,102)
	-	292,898
Total buildings	717,400	689,133

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Cont)			
<i>PLANT AND EQUIPMENT</i>			
Motor vehicles			
At cost		75,891	75,891
Less accumulated depreciation		(72,092)	(69,561)
		3,799	6,330
Furniture and fittings			
At cost		1,203,083	1,139,994
Less accumulated depreciation		(739,186)	(636,345)
		463,897	503,649
Office equipment			
At cost		218,604	194,614
Less accumulated depreciation		(187,345)	(177,962)
		31,259	16,652
Plant and equipment			
At cost		653,961	589,517
Less accumulated depreciation		(455,460)	(410,877)
		198,501	178,640
Total plant and equipment		637,456	705,271
Total property, plant and equipment		1,414,656	1,394,404

(a) Movements in Carrying Amounts

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

	Respite cottage and Gazebo	Office Buildings	Motor Vehicles	Furniture and fittings	Office equipment	Plant and equipment	Total
2011	\$	\$	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	396,235	292,898	6,330	503,649	16,652	178,540	1,394,404
Additions	-	-	-	63,089	23,990	24,444	151,523
Revaluation increments/(decrements)	28,310	14,454	-	-	-	-	42,714
Depreciation expense	(5,345)	(6,102)	(2,531)	(102,841)	(9,383)	(44,583)	(173,785)
Carrying amount at the end of year	416,200	301,206	3,799	463,897	31,259	199,501	1,414,656
2010	\$	\$	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	410,474	240,921	8,861	559,747	21,430	202,753	1,444,186
Additions	-	56,622	-	50,684	2,673	23,107	133,086
Revaluation increments/(decrements)	(5,894)	1,457	-	-	-	-	(4,437)
Depreciation expense	(8,345)	(6,102)	(2,531)	(106,782)	(7,451)	(47,220)	(178,431)
Carrying amount at the end of year	396,235	292,898	6,330	503,649	16,652	178,640	1,394,404

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 12: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Trade payables		615,625	663,253
Other payables		290,233	259,813
		905,858	923,066
NOTE 13: INTEREST BEARING LIABILITIES			
CURRENT			
Secured liabilities			
Council loan	(a)	227,306	213,222
Car loan	(b)	5,153	-
		232,459	213,222
NON CURRENT			
Secured liabilities			
Council loan	(a)	500,650	727,956
Car loan	(b)	25,311	-
		525,961	727,956
		758,420	941,178

(a) Manningham Council spent over \$6.5 million in 2003/04 to extend Cassia House by 30 new places and to renovate the building for 30 existing places. Under an agreement with Council, Manningham Centre will repay towards this expenditure a total amount of \$2,709,888 (\$1.97 million contribution plus interest) by 20 instalments over ten years. Since the year 2004/05, the first fourteen instalments have been paid. The \$1.97 million contribution is recorded as facility access rights under other assets (Note 9).

(b) During 2010/11 the Association entered into a loan to purchase a motor car. The initial loan amount was \$32,517 and is repayable by 48 instalments over 4 years.

NOTE 14: PROVISIONS

CURRENT

Employee benefits - Annual leave		675,083	547,323
- Long service leave		481,161	333,030
	(a)	1,156,244	880,353

NON CURRENT

Employee benefits - Long service leave	(a)	204,300	339,935
Provision for building replacement	(b)	1,734,200	1,553,852
		1,938,500	1,893,787

(a) Aggregate employee benefits liability		1,360,544	1,220,288
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(b) By agreement with Council, the Association must deposit 1% of the estimated replacement cost of Doncaster Melaleuca Lodge, Cassia House, Doncaster Rehabilitation Services and Grevillea House into an interest bearing account each year for the purpose of future major structural alterations and works. This accumulated fund is shown as a current financial asset.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 15: RESERVES			
Asset maintenance reserve	(a)	922,476	1,084,099
Available-for-sale financial assets reserve	(b)	-	(184,323)
Residential care statutory reserve	(c)	1,900,796	1,596,907
Asset revaluation reserve	(d)	42,714	-
		2,865,986	2,496,683
(a) Asset maintenance reserve			
Movements during the financial year:			
Opening balance		1,084,099	1,161,196
Add Donations to Building & Equipment		46,610	51,501
Less Transfer of expenses incurred during year		(207,233)	(128,598)
Closing balance		922,476	1,084,099
The asset maintenance reserve has been set aside for asset maintenance purposes.			
(b) Available-for-sale financial assets reserve			
Movements during the financial year:			
Opening balance		(164,323)	(331,908)
Gain/(loss) for the period		184,323	147,585
Closing balance		-	(184,323)
The available-for-sale financial assets reserve has been set aside for financial asset revaluation purposes.			
(c) Residential care statutory reserve			
Movements during the financial year:			
Opening balance		1,596,907	1,385,386
Add Transfer from Accommodation Payments		574,860	482,510
Less Repayment to Council		(270,989)	(270,989)
Closing balance		1,900,796	1,596,907
The residential care statutory reserve has been set aside for residential care projects.			
(d) Asset revaluation reserve			
Movements during the financial year:			
Opening balance		-	-
Revaluation increment - building		42,714	-
Closing balance		42,714	-
NOTE 16: ACCUMULATED SURPLUS			
Accumulated surplus at the beginning of the financial year		1,662,961	1,566,154
Net surplus attributable to members of the Association		529,139	231,231
Net transfers (to)/from reserves		(142,268)	(134,424)
Accumulated surplus at the end of the financial year		2,049,832	1,662,961

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 17: CAPITAL AND LEASING COMMITMENTS			
Operating lease commitments			
Non cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not longer than one year		18,834	7,424
- longer than one year but not longer than five years		22,107	18,962
		40,931	26,386
General description of leasing arrangement:			
Motor vehicles leasing			
NOTE 18: CASH FLOW INFORMATION			
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash on hand		2,500	2,000
Cash at bank		917,253	1,000,656
		919,753	1,002,656
(b) Reconciliation of cash flow from operations with surplus from continuing operations after income tax			
Surplus from continuing operations after income tax		529,139	231,231
Depreciation		173,735	178,433
Impairment losses		-	4,438
Net (gain)/ loss on financial assets		152,082	-
Changes in assets and liabilities net of the effects of assumption of business:			
(Increase)/decrease in receivables		(109,964)	(58,571)
(Increase)/decrease in inventories		300	(210)
Increase/(decrease) in payables		13,256	47,779
Increase/(decrease) in other current assets		(1,405)	(12,945)
Increase/(decrease) in provisions		140,257	69,300
Net cash flows provided by operating activities		937,452	459,455
NOTE 19: AUDITORS' REMUNERATION			
Remuneration of the auditors for			
- audit of financial report		12,860	14,000
- other		2,658	-
		15,518	14,000
NOTE 20: CONTINGENT ASSETS AND LIABILITIES			
The Committee is unaware of any assets or liabilities, contingent or otherwise, not already disclosed in this financial report.			
NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE			
The Association adopted new Rules to apply from 1 July 2011. Amongst other things, the Board of the Association will comprise up to 10 Directors elected by the Members plus up to 2 additional Directors nominated by Manningham City Council. The Chairman will also no longer be required to be elected from amongst the Council nominees. Consequently the Association will no longer be a controlled entity of Council.			
Council has extended the Management Agreement with MCA for another 12 months from 1 July 2011.			

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
NOTE 22: ASSOCIATION DETAILS			
The principal place of business of the Association is: Manningham Centre Association Inc. 371 Manningham Road, Doncaster, Victoria, 3108			
NOTE 23: FINANCIAL RISK MANAGEMENT			
The Association's financial instruments consist mainly of deposits with banks, Australian listed shares and property trusts, accounts receivable and payable and interest-bearing liabilities.			
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Cash and cash equivalents	5	919,753	1,002,656
Financial assets	6	6,173,521	4,730,927
Trade and other receivables	7	375,026	265,062
Available-for-sale financial assets:			
- Australian listed shares	10	-	366,839
- property trusts	10	-	34,335
Total financial assets		7,468,300	6,399,819
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	12	305,358	323,066
Interest-bearing liabilities	13	758,420	941,178
Total financial liabilities		1,063,778	1,264,244

Financial Risk Management Policies

The Association's Chief Executive and Finance Manager are responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Chief Executive and Finance Manager monitor the Association's transactions and review the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Finance and Audit Committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the Association securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23: FINANCIAL RISK MANAGEMENT (Cont)

The following table details the Association's trade receivable exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association. The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Past Due and Impaired	Past Due but Not Impaired			Total
		Up to 3 months	3 to 6 months	Over 6 months	
	\$	\$	\$	\$	\$
2011					
Trade receivables	-	74,747	6,240	13,083	94,070
Other receivables	-	280,956	-	-	280,956
Total	-	355,703	6,240	13,083	375,026
2010					
Trade receivables	-	67,412	4,036	-	71,448
Other receivables	-	193,614	-	-	193,614
Total	-	261,026	4,036	-	265,062

b. Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- proactively monitoring the recovery of receivables.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding annual leave and grants receivable in advance)	905,858	923,066	-	-	-	-	905,858	923,066
Interest-bearing liabilities	232,459	213,222	525,961	727,956	-	-	758,420	941,178
Total contractual outflows	1,138,317	1,136,288	525,961	727,956	-	-	1,664,278	1,864,244
Total expected outflows	1,138,317	1,136,288	525,961	727,956	-	-	1,664,278	1,864,244

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23: FINANCIAL RISK MANAGEMENT (Cont)

2010	Profit		Equity	
	-1% (decrease 100 basis points)		+2% (increase 200 basis points)	
Financial assets				
Cash and cash equivalents	(10,027)	(10,027)	20,053	20,053
Financial assets	(47,309)	(47,309)	94,619	94,619
Trade and other receivables	(2,651)	(2,651)	5,301	5,301
Financial liabilities				
Trade and other payables	9,231	9,231	(18,461)	(18,461)
	<u>(50,756)</u>	<u>(50,756)</u>	<u>101,512</u>	<u>101,512</u>
	- 10% (decrease 1000 basis points)		+ 10% (increase 1000 basis points)	
Available-for-sale financial assets	(40,117)	(40,117)	40,117	40,117
	<u>(90,873)</u>	<u>(90,873)</u>	<u>141,629</u>	<u>141,629</u>

No sensitivity analysis has been performed on foreign exchange risk as the Association is not exposed to foreign currency fluctuations.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

	Note	2011		2010	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	919,753	919,753	1,002,656	1,002,656
Financial assets	(i)	6,173,521	6,173,521	4,730,927	4,730,927
Trade and other receivables	(i)	375,026	375,026	265,062	265,062
		<u>7,468,300</u>	<u>7,468,300</u>	<u>5,998,645</u>	<u>5,998,645</u>
Available-for-sale financial assets:					
- listed investments	(ii)	-	-	401,174	401,174
Total financial assets		<u>7,468,300</u>	<u>7,468,300</u>	<u>6,399,819</u>	<u>6,399,819</u>
Financial liabilities					
Trade and other payables	(i)	905,858	905,858	923,066	923,066
Interest-bearing liabilities	(i)	758,420	758,420	941,178	941,178
Total financial liabilities		<u>1,664,278</u>	<u>1,664,278</u>	<u>1,864,244</u>	<u>1,864,244</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, financial assets, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave, which is not considered a financial instrument.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 24: RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Compensation

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Association, directly and indirectly, including any board member (whether executive or otherwise) of the Association.

(b) Board Remuneration

The names of persons holding the position of a Board Member at the Association at any time during the year are:

- Ronald Bunn (appointed by Council in December 1998)
- Cr Geoffrey Gough (appointed by Council in October 2009)
- Peter Johnstone (appointed by Board in July 2008, elected by Members in October 2008, resigned in December 2010)
- Ronald Kitchingman (appointed by Council in September 1986)
- William Larkin (appointed by Council in August 1985)
- Raymond Lewis (appointed by Board in July 2008, elected by Members in October 2008)
- Cr Stephen Mayne (appointed by Council in October 2009)
- David Meiklejohn (appointed by Board in May 2011)
- Berry Memagh (elected by Members in October 2009)
- Erica Mounter (appointed by Council 30 in March 2010)
- Lynette Sowersby (appointed by Board in July 2008, elected by Members in October 2008)
- Derrell Treloar (appointed by Board in July 2008, elected by Members in October 2008)

Erica Mounter is a Director of Manningham Community Enterprises Limited (Doncaster East Community Bank Branch Bendigo Bank) with whom MCA has six term deposits. David Meiklejohn is a Director of ANZ Bank with whom MCA has four term deposits. Geoff Gough and Stephen Mayne are Councillors for the City of Manningham.

All Board Members are volunteers. They are not paid any fees and benefits.

(c) Other Key Management Personnel Compensation

The names of other Key Management Personnel meeting the definition in (a) above during the financial year:

- Ross Dawson (appointed Chief Executive in June 2004)
- Helen Zhou (appointed Finance Manager in October 2000)
- Dianne Jones (appointed Residential Services Manager in February 2011)
- Patricia Fernandez (appointed Cassia House Manager in May 2010)
- Karen Blaszak (appointed Doncaster Melaleuca Lodge Manager in February 2010 and resigned in February 2011)
- Kay Plymin (appointed Doncaster Melaleuca Lodge Manager in April 2011)
- Maree Lucas (appointed Grevillea House Manager in February 1996)
- Hubert Brown (appointed Rehabilitation Manager in June 2006 & Rehabilitation and Aged Care Packages Manager in September 2010)

The following represents other Key Management Personnel compensation during the financial year:

	2011	2010
	\$	\$
Short Term	541,000	508,000
Post Employment	48,000	42,000
	589,000	550,000

No employee entitlements were paid to Key Management Personnel who resigned during the year.

MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 24: RELATED PARTY TRANSACTIONS (cont.)

(d) Manningham City Council

Transactions with the controlled entity during the year comprised of the following: principal and interest contributions from loan, government grants and resident fees foregone.

	2011	2010
	\$	\$
Intercompany revenue		
Grants	9,000	19,000
Other	39,000	56,000
	<u>46,000</u>	<u>75,000</u>
Intercompany expenditure		
Principal and interest contributions	271,000	271,000
Residents' and clients' fees - foregone	39,000	56,000
Home and Community Care grants	9,000	19,000
	<u>319,000</u>	<u>346,000</u>
Intercompany assets		
Contribution to Manningham City Council	728,000	941,000
Intercompany liabilities		
Receivables from Manningham City Council	726,000	941,000

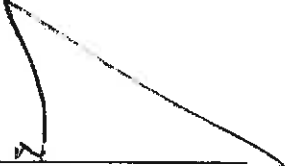
**MANNINGHAM CENTRE ASSOCIATION INC.
REG No. A 3444 S**

STATEMENT BY THE BOARD

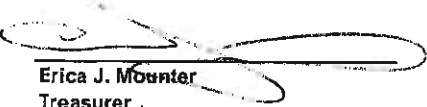
In the opinion of the Board of Manningham Centre Association Incorporated:

1. The accompanying Statement of Comprehensive Income gives a true and fair view of the results of the operations of Manningham Centre Association Incorporated for the financial year ended 30th June 2011;
2. The accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Association as at the end of the financial year;
3. The accompanying Statement of Changes in Equity gives a true and fair view of the Equity of the Association for the financial year;
4. The accompanying Statement of Cash Flows gives a true and fair view of the cash flows of the Association for the financial year; and
5. As at the date of this statement, there are reasonable grounds to believe that Manningham Centre Association Incorporated will be able to meet its debts as and when they fall due.


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



David E. Meiklejohn
Chairman



Erica J. Mounter
Treasurer



Ross S. Dawson
Chief Executive

Dated this 14th day of September 2011



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Manningham Centre Association Incorporated

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Manningham Centre Association Inc which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the board has been audited.

The Board's Responsibility for the Financial Report

The Board of the Manningham Centre Association Incorporated are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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



Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Manningham Centre Association Inc as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Manningham Centre Association Incorporated for the year ended 30 June 2011 included both in the Manningham Centre Association Incorporated's annual report and on the website. The Board of the Manningham Centre Association Incorporated are responsible for the integrity of the Manningham Centre Association Incorporated's website. I have not been engaged to report on the integrity of the Manningham Centre Association Incorporated's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
26 September 2011


D D R Pearson
Auditor-General