hutt ST CENTRE

A work of the Daughters of Charity

ABN: 75 055 179 354

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

HUTT STREET CENTRE
ABN 75 055 179 354

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DIRECTORS' REPORT

Your directors present their report on the company at the end of, or during, the financial year ended 30 June 2014.

Directors

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

Mr C Lemmer	Mr S Connel
Mr D Meyer	Mr L Cirillo
Dr P Donato	Ms B Deed
Sr G Tamlyn	

Mr David Meyer was a director from the beginning of the financial year until his Term as a Director concluded on 15 October 2013. The Board acknowledged the significant contribution that David has made to the success of the Centre over the past 9 years.

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

Principal Activity

The principal activity of Hutt Street Centre during the financial year is to provide a wide range of essential, professional and both outreach and in-reach services for homeless and vulnerable people.

Hutt Street Centre is committed to maintaining existing programs and creating new programs that:

- Support and empower homeless people.
- Develop and inspire staff, volunteers and the general community with consistent standards of best practice and clear expectations of professional accountabilities and responsibilities to all stakeholders.
- Ensures that homeless people achieve their outcomes to ultimately exit and end their homelessness.

Review of Operations

Short-term and Long-term Objectives

Hutt Street Centre's Strategic Plan 2012-2015 defines the strategic directions and specific goals for the 3-year period. The Strategic Plan describes what we aspire to into the future, defines our objects and highlights the values, which underpin our operations. Measures of success have been indicated for each of our stated goals.

The Strategic Plan sets the course for Hutt Street Centre and is the foundation for preparing the Centre's Business and Operational Work Plans. In addition to the key objectives the 4 pillars adopted over the length of the Strategic Plan include:

1. Improved outcomes for clients
2. Strategic alliances
3. Developing benchmarking information & services & analysis
4. Systems & processes for growth (including IT and HR)

With more being demanded of agencies by government, clients, professionals, volunteers, our donors and supporters, there is a stronger external focus on accreditation, best practice and demonstration of outcomes to support evidence based practice. These issues have all impacted on our plan.

DIRECTORS' REPORT (Continued)

Hutt Street Centre has grown rapidly over the past five to six years, and our goal is to remain committed to our vision and mission and to continue working in collaboration with our key stakeholders.

Strategies

The 3 key strategies and their measurements as outlined in the 2012-2015 Strategic Plan include:

1. Volunteering

Short–term: Identify new volunteer groups and sources of volunteers

Long-term: Develop and implement new models of volunteering engagement and establish a volunteer reference group for the future

2. Develop strategic revenue sources

Short-term: Development of the 3 year fundraising plan and new revenue streams identified for essential and professional services

Long-term: New sources of funding streams and fundraising plan firmly established with key measurements and targets achieved

3. Develop Master Plan for Infrastructure Development

Short-term: Service delivery model established for the Day Centre

Long-term: A Master Plan is established for the infrastructure needs of the Centre and a Capital Appeal is developed

Achieving Hutt Street Centre Objectives

Hutt Street Centre has had another very successful year in terms of achieving our objectives with both our existing and new programs complementing each other. Clients have been successful with accessing a range of different services and programs including housing, outreach support, medical and allied health services access, employment, training and education links and outcomes, along with the provision of meals, showers, locker and laundry facilities.

In the past year we experienced a positive outcome with revenue growth and fundraising and continue to be hopeful for new and improved funding streams into the future.

Key Performance Measures

Hutt Street Centre measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Board of Directors to assess whether the organisations short and long term objectives are being achieved along with our financial sustainability.

Actual Benchmarks

Clients

- Number of clients receiving case management through the Eastern Adelaide Homelessness Service (N: 250) - *Achieved*
- Number of clients assisted to sustain their tenancy - *Achieved*
- Number of clients not exiting into primary homelessness - *Achieved*
- Number of clients receiving Intensive Tenancy Support - *Achieved*
- Number of clients receiving Boarding House Outreach Support - *Achieved*
- Education and Training Program targets achieved for accredited and non accredited training – *Achieved*
- Number of clients receiving case management through the HACC Aged Care Program - *Achieved*

Staff and volunteers

- To implement an employee satisfaction survey and set targets at 85% - Achieved
- External staff survey demonstrates 100% awareness of both pastoral care and external support program – *Achieved*
- Volunteer survey implemented – *Achieved*
- Implementation of Volunteer recognition ceremony - *Achieved*

Operational and financial

- Financial Target aligned within 2013/2014 Budget - *Achieved*
- Fundraising Target – *Achieved*
- Ongoing funding for the Education and Training Program secured – *Achieved*
- Increase in HACC Funding – *Achieved*
- Continued Eastern Adelaide Homelessness Service Funding - *Achieved*
- HSC recognised for its leadership role by all partners and stakeholders – our client group, government, non government and the business community through participation in relevant government / NGO advisory groups – *Achieved*
- All WHS targets met – *Achieved*

Significant changes in expenditure

Fundraising and advertising expense

The principal activity of the Hutt Street Centre Foundation, which ceased operations on 1 July 2013, was fundraising for the Hutt Street Centre. As of this date all fundraising activity is now recorded in Hutt Street Centre, hence the increase in fundraising and advertising expense for the year.

Rent expense

Due to an increased staff group the Hutt Street Centre now lease a rental property located at 242 Hutt Street which houses the Eastern Adelaide Homelessness team.

State of affairs

No significant changes in Hutt Street Centre's state of affairs occurred during the financial year.

Events since the end of the financial year

There are no other matters or circumstances that have arisen since 30 June 2014 that have significantly affected Hutt Street Centre's operations, results or state of affairs, or may do so in future years.

Likely developments

Hutt Street Centre will continue to pursue the short-term and long-term objectives described above over the coming years. This will provide an enhanced capability through improving performance, achieving financial targets and managing customer and stakeholders relationships.

Environmental regulations

Hutt Street Centre is not subject to any particular environmental regulations.

DIRECTORS' REPORT (Continued)

Information on Directors

The information on directors is as follows:

Mr C Lemmer ASM

Qualifications	– Diploma Accounting
Experience	– Chair of the Board of Directors, SA Ambulance Service Chief Executive, 6 years; Director Operations & Finance & Administration Manager; Hutt Street Centre CEO (2009)
Special Responsibilities	– Chairperson

Dr P. Donato OAM

Qualifications	– B. App Sc (Chiro), CCSP, Grad Dip (NMS Rehab), FACC, FICC
Experience	– Hutt Street Board member appointed in 2006. 30 years in private practice and 16 years as chiropractic consultant for medico-legal purposes. Current Chairman of Chiropractic Board of Australia & International Regulatory Forum. Current trustee of the Lions Medical Research Foundation. Current member of Lions Club of Adelaide Italian. Previous senior positions in Chiropractors Assoc of Australia and Australian Spinal Research Foundation.

Sr G Tamlyn

Qualifications	– Welfare officer, Diploma of Theology, Spiritual Formation Ireland
Experience	– Daughter of Charity for the past 49 years working with single mothers and women with intellectual disability. Youth Ministry State Spiritual Adviser to the NSW/ACT State Council of the St Vincent de Paul Society for 8 years. Provincial Councillor for the Daughters of Charity for 8 years.

Mr S Connel

Qualifications	–
Experience	– Hutt Street Centre director since May 2009. Currently founder and Director of Clutch consulting. Previously Senior Manager Business Development for ElectraNet Pty Ltd, Business Development Manager for BAE Systems, Commercial Sales Executive for Ansett Australia and various positions in ANZ banking group. Currently holding a position on the Advantage SA Membership Committee, previously held a position on the Corporate Council for the SA Branch of the Australian Paralympic Council.

Mr L Cirillo

Qualifications	– Bachelor of Commerce (Adelaide), Bachelor of Business (Commercial Law) Chartered Accountant
Experience	– Accountant at Pitcher Partners accounting firm for 12 years.

Ms B Deed

Qualifications	– Bachelor of Science (Hons), MBA, AICD Company Directors Course
Experience	– Skills focused in health policy and planning at State and Federal level - government relations, corporate and stakeholder communication, governance. Board involvement includes Member and Chair, Red Cross SA Board, and Land Management Council (LMC)

DIRECTORS' REPORT (Continued)

Mr D. Meyer

Qualifications	– LLB
Experience	– Hutt Street Centre Board Member appointed since 2005. Barrister and Solicitor for 37 years. Director of Commercial Motor Vehicles Pty Ltd and Ahrens Engineering Pty Ltd. Trustee of Statewide Superannuation Trust, Trustee of Law Foundation, Law Society of SA. Commissioner of Legal Services Commission SA.

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Mr C Lemmer	11	11
Dr P Donato	11	8
Sr G Tamlyn	11	11
Mr S Connel	11	10
Mr L Cirillo	11	10
Ms B Deed	11	8
Mr D Meyer	4	4

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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

Director ______________________ Mr C Lemmer

Director ______________________ Mr L Cirillo

Dated this 25th day of September 20 14

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF HUTT STREET CENTRE

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Hutt Street Centre for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Auditor ____________________

B. Lloyd
Partner
Henson Lloyd

Dated this 19th day of September 2014.

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STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
Revenue	2	2,115,016	2,188,679
Other income	2	1,722,804	1,882,047
Employee benefits expense		(2,227,167)	(1,934,104)
Depreciation and amortisation expense	3	(79,409)	(99,516)
Repairs, maintenance and vehicle running expense		(161,867)	(156,112)
Light and power expense		(41,250)	(35,541)
Staff training expense		(60,817)	(22,044)
Audit, legal and consultancy expense		(26,321)	(14,992)
Fundraising and advertising expense		(143,263)	(6,186)
Food expense		(65,518)	(59,705)
Insurance expense		(32,250)	(34,504)
Utilities expense		(36,248)	(43,483)
Rent expense		(64,683)	(11,149)
Client expense		(135,080)	(65,188)
Subcontract payments		(156,565)	(180,560)
Other expenses		(82,090)	(53,505)
Current year surplus for the year		**525,292**	**1,354,137**
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss			
Net fair value gain/(loss) on re-measurement of investments in listed shares available for sale		291,093	261,747
Other Comprehensive Income for the Year		**291,093**	**261,747**
Total Comprehensive Income for the Year		**816,385**	**1,615,884**
Total comprehensive income attributable to members of the entity		**816,385**	**1,615,884**

HUTT STREET CENTRE
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,131,655	557,898
Trade and other receivables	5	12,912	1,274,249
Prepayments		28,186	28,194
Inventories	6	2,560	2,560
TOTAL CURRENT ASSETS		**1,175,313**	**1,862,901**
NON-CURRENT ASSETS			
Financial assets	7	3,104,352	1,417,189
Property, plant and equipment	8	338,896	354,069
TOTAL NON-CURRENT ASSETS		**3,443,248**	**1,771,258**
TOTAL ASSETS		**4,618,561**	**3,634,159**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	160,854	101,785
Amounts received in advance		103,733	40,697
Provisions	10	221,518	187,489
TOTAL CURRENT LIABILITIES		**486,105**	**329,971**
NON-CURRENT LIABILITIES			
Provisions	10	37,485	25,602
TOTAL NON-CURRENT LIABILITIES		**37,485**	**25,602**
TOTAL LIABILITIES		**523,590**	**355,573**
NET ASSETS		**4,094,971**	**3,278,586**
EQUITY			
Retained surplus		3,276,066	2,411,208
Reserves	11	818,905	867,378
TOTAL EQUITY		**4,094,971**	**3,278,586**

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Surplus	Investment Revaluation Reserve	Capital Profits Reserve	General Reserve	Total
	$	$	$	$	$
Balance at 1 July 2012	1,057,071	266,065	28,487	311,079	1,662,702
Comprehensive income					
Net surplus for the year	1,354,137				1,354,137
Other comprehensive income for the year					
Net fair value gain/(loss) on re-measurement of investments in listed shares available for sale		261,747			261,747
Total comprehensive income attributable to members of the entity for the year	1,354,137	261,747	-	-	1,615,884
Balance at 30 June 2013	**2,411,208**	**527,812**	**28,487**	**311,079**	**3,278,586**
Comprehensive income					
Net surplus for the year	525,292				525,292
Other comprehensive income for the year					
Net fair value gain/(loss) on re-measurement of investments in listed shares available for sale		291,093			291,093
Total comprehensive income attributable to members of the entity for the year	525,292	291,093	-	-	816,385
Transfer of reserves to retained earnings	339,566		(28,487)	(311,079)	-
Balance at 30 June 2014	**3,276,066**	**818,905**	-	-	**4,094,971**

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donors, grants, etc.		4,963,592	2,804,542
Payments to suppliers and employees		(3,133,290)	(2,580,081)
Investment income		213,690	120,992
Net cash provided by operating activities		**2,043,992**	**345,453**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	6,065
Proceeds from sale of investments		(9,929)	-
Purchase of property, plant and equipment		(64,236)	(117,389)
Purchase of investments		(1,396,070)	(101,454)
Net cash used in investing activities		**(1,470,235)**	**(212,778)**
Net increase / (decrease) in cash held		573,757	132,675
Cash and cash equivalents at beginning of financial year		557,898	425,223
Cash and cash equivalents at end of financial year	4	**1,131,655**	**557,898**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Hutt Street Centre as an individual entity, incorporated and domiciled in Australia. Hutt Street Centre is a company limited by guarantee.

Basis of Preparation

Hutt Street Centre applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired. period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings/Property Improvements	2.5%
Plant & Equipment	8% - 37.5%
Motor Vehicles	18.75% - 25%
Furniture & Fittings	8% - 30%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(e) Fair Value of Assets

The company measures some of its assets at fair value on a recurring basis.

Fair value is the price the company would receive to sell an asset in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 company 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 transactions 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 fair value, amortised cost using the effective interest method, or cost. 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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 amount with a consequential recognition of an income or expense item in profit or loss.

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 arms length transactions, reference to similar instruments and option pricing models.

(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, 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments (continued)

(iv) *Available-for-sale financial assets*

Available-for-sale investments 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a loss event) has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Employee Provisions

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

(g) Employee Provisions (continued)

Other long-term employee benefits

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from for goods sold or services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income Tax

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

(l) Intangibles

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated life of between one and three years. It is assessed annually for impairment.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Comparative Figures

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

(o) Trade and Other Payables

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

(p) New and Amended Accounting Policies Adopted by the Company

Employee Benefits

During the year, the company adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards. As a result, the company early adopted AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements because the company's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The company has applied AASB 119 (September 2011) and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the company's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the company's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the company did not have any of these types of obligations in the current or previous reporting period, these changes did not impact the company's financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) New and Amended Accounting Policies Adopted by the Company (continued)

Fair value measurement

During the year, the company adopted AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards. As a result, the company early adopted AASB 2012-1: Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements because the company's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The company has applied AASB 13 and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the company's financial statements. These enhanced disclosures are provided in Note 22.

The disclosure requirements in AASB 13 need not be applied by the company in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the company has provided this previously provided information as comparatives in the current reporting period.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

	Notes	2014 $	2013 $
NOTE 2: REVENUE AND OTHER INCOME			
Revenue			
State/Federal government grants		1,916,612	1,717,620
Other government grants		44,233	33,000
Other organisation grants		77,700	101,189
Sales		53,578	52,252
Management fee		-	277,781
Other revenue		22,893	6,837
Total Revenue		**2,115,016**	**2,188,679**
Other Income			
General Donations		392,853	-
Fundraising Activity Donations		674,009	-
Bequests		260,354	85,500
Transfers from Daughters of Charity		191,828	-
Transfers from Hutt Street Centre Foundation		-	1,669,489
Interest and dividend income		213,690	120,992
Profit/loss on sale of assets	3	(9,929)	6,065
Total Other Income		**1,722,804**	**1,882,047**
Total Revenue and Other Income		**3,837,820**	**4,070,726**

NOTE 3: SIGNIFICANT REVENUE AND EXPENSES

	2014	2013
a. Expenses		
Employee benefits expense:		
Contributions to defined contribution superannuation funds	170,146	142,248
Depreciation and amortisation:		
Buildings/property improvements	3,804	3,974
Motor vehicle	20,616	53,074
Furniture and equipment	54,989	42,468
Total depreciation and amortisation	**79,409**	**99,516**
b. Significant Revenue and Expenses		
Net gain/(loss) on disposal of non-current assets:		
Investments	(9,929)	-
Property, plant and equipment	-	6,065
	(9,929)	**6,065**

NOTE 4: CASH AND CASH EQUIVALENTS

	2014	2013
Cash at bank	1,130,055	556,298
Cash on hand	1,600	1,600
	1,131,655	**557,898**

	Notes	2014 $	2013 $
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		4,400	60,304
Other receivables		8,512	1,213,945
		12,912	**1,274,249**

On 20 June 2013, the Hutt Street Centre Board of Directors as Trustees of the Hutt Street Centre Foundation, resolved to cease operations of the Hutt Street Centre Foundation and transfer the net assets of the trust to Hutt Street Centre. This amounted to $3,340 (2013: $1,210,511) and is included in other receivables.

	Notes	2014 $	2013 $
NOTE 6: INVENTORIES			
CURRENT			
At cost:			
Inventory		2,560	2,560
NOTE 7: FINANCIAL ASSETS			
NON-CURRENT			
Shares in listed corporations			
- at cost		2,264,682	889,377
? revaluation to market value		839,670	527,812
		3,104,352	**1,417,189**
Listed property trusts			
- at cost		-	-
? revaluation to market value		-	-
		-	-
Total Financial Assets		**3,104,352**	**1,417,189**
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
Buildings/property improvements:			
At cost		155,283	152,483
Work in progress at cost		7,548	7,548
Less accumulated depreciation		(31,380)	(27,576)
		131,451	**132,455**
Plant and equipment:			
At cost		684,679	623,243
Less accumulated depreciation		(477,234)	(401,629)
		207,445	**221,614**
Total Property, Plant and Equipment		**338,896**	**354,069**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)

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 financial year:

	Buildings/ Property Improvements	Plant and Equipment	Total
Balance at the beginning of the year	132,455	221,614	354,069
Additions at cost	2,800	61,436	64,236
Work in progress at cost	-	-	-
Disposals	-	-	-
Depreciation expense	(3,804)	(75,605)	(79,409)
Carrying amount at the end of the year	**131,451**	**207,445**	**338,896**

	Notes	2014 $	2013 $
NOTE 9: TRADE AND OTHER PAYABLES			
CURRENT			
Trade creditors		64,670	53,041
Sundry creditors		47,879	-
Accrued expenses		699	12,685
GST and PAYG payable		47,606	36,059
		160,854	**101,785**
NON-CURRENT			
Loans and borrowings		-	-
NOTE 10: PROVISIONS			
CURRENT			
Annual leave		117,629	102,754
Long service leave		103,889	84,735
		221,518	**187,489**
NON-CURRENT			
Long service leave		37,485	25,602

The provision for employee benefits represents amounts accrued for annual leave.
Based on past experience, the association expects the full amount of annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

NOTE 11: RESERVES

	Notes	2014 $	2013 $
Capital profits reserve	(a)	-	28,487
General reserve	(b)	-	311,079
Investment revaluation reserve	(c)	818,905	527,812
		818,905	**867,378**

(a) Capital profits reserve

The capital profits reserve records profits put aside in past years arising from the disposal of non-current assets. During the current financial year these reserves were transferred to retained earnings.

(b) General reserve

The general reserve was used in prior years to record amounts set aside to fund the future expansion of the company. During the current financial year these reserves were transferred to retained earnings.

(c) Investment revaluation reserve

Investments were revalued to market value during the current year.

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

There were no significant events occurring after the end of the reporting period.

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2014 $	2013 $
Key management personnel compensation	373,143	366,033

NOTE 14: RELATED PARTY TRANSACTIONS

Len Cirillo is an employee of Pitcher Partners. During the year Pitcher Partners provided professional services to the company on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

	Notes	2014 $	2013 $

NOTE 15: FINANCIAL RISK MANAGEMENT

Hutt Street Centre's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and borrowings. Hutt Street Centre's primary objective when managing financial instruments is to continue as a going concern, maintaining a source of funds to continue its vision.

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:

	Notes	2014 $	2013 $
Financial Assets			
Cash and cash equivalents	4	1,131,655	557,898
Trade and other receivables	5	12,912	1,274,249
Financial assets	7	3,104,352	1,417,189
Total Financial Assets		**4,248,919**	**3,249,336**
Financial Liabilities			
Trade and other payables	9	160,854	101,785
Loans and borrowings	9	-	-
Total Financial Liabilities		**160,854**	**101,785**

NOTE 16: FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Recurring fair value measurements

	Notes	2014 $	2013 $
Financial assets			
Available-for-sale financial assets			
- shares in listed companies	7,15	3,104,352	1,417,189
Total financial assets recognised at fair value		**3,104,352**	**1,417,189**

HUTT STREET CENTRE
ABN 75 055 179 354

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 22 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the financial year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Boards of Directors.

Director ______________________ Director ______________________

Mr. C Lemmer — Mr. L Cirillo

Dated this 25th day of September 2014

HensonLloyd
chartered accountants

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Dulwich SA 5065

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Facsimile: 08 8431 1566
hl@hensonandco.com.au

www.hensonlloyd.com.au

INDEPENDENT AUDIT REPORT

To the members of:

HUTT STREET CENTRE

ABN 75 055 179 354

FOR THE FINANCIAL PERIOD ENDED 30TH JUNE 2014

Report on the Financial Report

We have audited the accompanying financial report of Hutt Street Centre which comprises statement of financial position, the statement of comprehensive income, statement of changes in equity and statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration for the for the year ended 30th June 2014.

Governing Body's Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the, and for such internal control as the governing body determines 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

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers 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 accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001 and Australian professional accounting bodies. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Hutt Street Centre on 10 September 2014, would be in the same terms if provided to the directors as the date of this auditor's report.

Opinion

In our opinion, the financial report of Hutt Street Centre presents fairly, in all material respects the financial position as at 30th June 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and (including Australian Accounting Interpretations) and the *Corporations Regulations* 2001.

Date 12th September 2014 Reg' number......5357

Auditor: Barrie John Lloyd

Firm: Henson Lloyd Chartered Accountants

Address: Level 2 / 229 Greenhill Road, DULWICH, SA, 5065

Signature:.....Barrie Lloyd......................................