



Riverwood Community Centre Ltd

# Financial Statements

Financial Year Ending 30 June 2018

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Unity Diversity & Strength

**Riverwood Community Centre Ltd**  
**Financial Statements**  
**For the Financial Year Ended 30 June 2018**

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**Riverwood Community Centre Ltd  
Responsible Person's Report  
For the Year Ended 30 June 2018**

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Your Board submit the financial report of Riverwood Community Centre Ltd ("the Company") for the year ended 30 June 2018.

### **Responsible Persons**

The names of Responsible Person's throughout the year and at the date of this report are:

Karl Saleh  
Helen Gialouris  
Kadije Arja  
Mohammad Huda  
Morris Iemma  
Gary Gallagher  
Manal Arbab  
Pauline Gallagher  
Vicky Wang  
Frances Greene

### **Principal Activities**

The principal activities of the Company during the financial year were providing resources and services responsive to the needs of the local community.

### **Significant Changes**

No significant changes in the nature of these activities occurred during the year.

### **Operating Result**

The operating surplus for the year was \$120,394 (2017: \$103,105), and the surplus for the year after transfers to/from reserves was \$282,894 (2017: \$153,105 surplus). The Company is exempt from income taxes pursuant to subdivision 50-B of the Income Tax Assessment Act 1997.

### **Objectives**

#### **Short Term**

The Company's short-term objectives are:

- To address the current financial position and maintain profitability in the next financial year.
- To provide a range of high-quality services to meet the needs of families, children and individuals who are most disadvantaged.

#### **Long Term**

The Company's long-term objectives are:

- To create a caring and inclusive environment for the residents of Riverwood and surrounding areas so they can actively participate in developing a community they are happy and proud to live in.

**Riverwood Community Centre Ltd  
Responsible Person's Report  
For the Year Ended 30 June 2018**

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### **Strategies**

To achieve its stated objectives, the Company has adopted the following strategies:

- Strengthening the funding base and broadening the scope of services
- Facilitating the building of an inclusive and nurturing community
- Maintaining 'good practice' in the quality of services provided

### **Key Performance Measures**

Key performance measures used by the Company are:

- The financial situation and performance is reviewed monthly
- The following criteria is examined:
  - Grant and other income
  - Project net profit analysis
  - Cash flows from operations

### **Information on Responsible Persons at the date of this report**

Karl Saleh	<ul style="list-style-type: none"> <li>- Chairperson</li> <li>- Chairperson since 2017, Board Member since 2015</li> <li>- Former Local Councillor, Canterbury City Council</li> <li>- Advanced Diploma Journalism</li> </ul>
Morris Iemma	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Chairperson since 2015, Board Member since 2015</li> <li>- Former Premier NSW and MP Lakemba</li> <li>- District Commissioner South District</li> </ul>
Mohammad Huda	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Board Member since 2013</li> <li>- Senior Client Service Officer, FACS Housing Services</li> </ul>
Kadije Arja	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Board Member since 2012</li> <li>- Client Services Officer, FACS Housing Services</li> </ul>
Helen Gialouris	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Board Member since 2012</li> <li>- Meals on Wheels Volunteer, Carers Group Volunteer, COTA Volunteer, Inner West Tenant Council, Helping Mentally Ill Customers, Secretary Inner West Tenant Council</li> </ul>
Vicky Wang	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Board Member since 2015</li> <li>- Accountant</li> <li>- Operating Manager Clothing Company</li> </ul>
Pauline Gallagher	<ul style="list-style-type: none"> <li>- Board Member (Casual Vacancy)</li> <li>- Board Member since 2016</li> <li>- Former CEO of Riverwood Community Centre</li> <li>- Bachelor of Social Science</li> </ul>
Manal Arbab	<ul style="list-style-type: none"> <li>- Board Member</li> <li>- Board Member since 2017</li> </ul>



**Riverwood Community Centre Ltd**  
**Responsible Person's Report**  
**For the Year Ended 30 June 2018**

### Meetings of Responsible Persons

During the financial year, 14 meetings of Responsible Persons were held. Attendances by each Responsible Person were as follows:

	<b>Meetings Attended</b>	<b>Eligible To Attend</b>
Kadije Arja	10	14
Helen Gialouris	14	14
Mohammad Huda	11	14
Morris Iemma	4	14
Karl Saleh	14	14
Vicky Wang	6	14
Manal Arbab	9	11
Frances Greene	3	3
Garry Gallagher	2	2
Pauline Gallagher	13	13

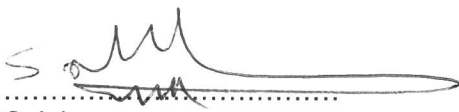
### Members Limited Liability


The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the Constitution states that each member at the date of winding up, and each member who ceased to be a member within twelve months of the date of winding up, shall contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2018, the number of members was 311 (2017: 230). At that date the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,110 (2017: \$2,300).

### Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Responsible Persons.

  
 Karl Saleh  
 Chairperson

  
 Kadije Arja  
 Secretary 24.10.2018

Dated 24.10.2018

**Riverwood Community Centre Ltd**  
**Auditor's Independence Declaration to the Responsible Person's**  
**For the Financial Year Ended 30 June 2018**

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Garcia Group Advisors  
Chartered Accountants



Michael Garcia  
Principal

OATLEY NSW 2223

Dated 24<sup>th</sup> October 2018

**Riverwood Community Centre Ltd**  
**Statement of Financial Position**  
**As at 30 June 2018**

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash & Cash Equivalents	4	1,581,488	1,329,348
Trade & Other Receivables	5	130,231	373,554
Prepayments	6	27,713	36,575
<b>Total Current Assets</b>		<b>1,739,432</b>	<b>1,739,477</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	309,172	271,357
<b>Total Non-Current Assets</b>		<b>309,172</b>	<b>271,357</b>
<b>Total Assets</b>		<b>2,048,604</b>	<b>2,010,834</b>
<b>Current Liabilities</b>			
Trade & Other Payables	8	260,301	317,399
Funding Received in Advance	9	244,429	341,626
Provisions	10	300,816	226,221
<b>Total Current Liabilities</b>		<b>805,546</b>	<b>885,246</b>
<b>Non-Current Liabilities</b>			
Provisions	10	63,787	66,711
<b>Total Non-Current Liabilities</b>		<b>63,787</b>	<b>66,711</b>
<b>Total Liabilities</b>		<b>869,333</b>	<b>951,957</b>
<b>Net Assets</b>		<b>1,179,271</b>	<b>1,058,877</b>
<b>Members' Funds</b>			
Reserves	11	217,500	380,000
Accumulated Funds		961,771	678,877
<b>Total Members' Funds</b>		<b>1,179,271</b>	<b>1,058,877</b>

**Riverwood Community Centre Ltd**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<hr/>			
<b>Revenue from Ordinary Activities</b>	2	3,768,232	3,916,919
Employee Benefits Expense		(3,059,726)	(3,043,967)
Depreciation and Amortisation Expense	3	(65,846)	(47,220)
Operating Lease & Premises		(121,677)	(249,989)
Service Costs		(220,172)	(249,723)
Other Administration Expenses		(180,417)	(222,915)
<b>Surplus / (Deficit) from Ordinary Activities</b>		<b>120,394</b>	<b>103,105</b>
Income Tax Expense		0	0
<b>Surplus / (Deficit) after Income Tax</b>		<b>120,394</b>	<b>103,105</b>
<b>Transfer (to) / from Reserves</b>			
Bus Replacement Reserve	11(a)	105,000	0
Marketing, Growth & Development Reserve	11(b)	61,000	14,000
IT Upgrade & Security Reserve	11(c)	(18,500)	21,000
Growth & Development Reserve	11(d)	50,000	0
Training Reserve	11(e)	15,000	15,000
Refurbish Premises Reserve	11(f)	0	0
Equipment Reserve	11(g)	(50,000)	0
		162,500	50,000
<b>Surplus / (Deficit) transferred to Accumulated Funds</b>		<b>282,894</b>	<b>153,105</b>

**Riverwood Community Centre Ltd**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2018**

	Accumulated Funds \$	Reserves \$	Total Members' Funds \$
<b>Balance at 1 July 2016</b>	<b>522,993</b>	<b>246,000</b>	<b>768,993</b>
Net Surplus / (Deficit)	103,105	0	103,105
Transfers from reserves	50,000	(50,000)	0
Transfers to reserves	0	0	0
<b>Balance at 30 June 2017</b>	<b>678,877</b>	<b>380,000</b>	<b>1,058,877</b>
Net Surplus / (Deficit)	120,394	0	120,394
Transfers from reserves	231,000	(231,000)	0
Transfers to reserves	(68,500)	68,500	0
<b>Balance at 30 June 2018</b>	<b>961,771</b>	<b>217,500</b>	<b>1,179,271</b>

	2018 \$	2017 \$
<b>Reserves</b>		
Bus Replacement Reserve	35,000	140,000
Marketing, Growth & Development Reserve	25,000	86,000
IT Upgrade & Security Reserve	57,500	39,000
Growth & Development Reserve	0	50,000
Training Reserve	0	15,000
Refurbish Premises Reserve	50,000	50,000
Equipment Reserve	50,000	0
<b>Total Reserves</b>	<b>217,500</b>	<b>380,000</b>

**Riverwood Community Centre Ltd**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from operations		4,165,658	4,129,839
Interest received		33,137	32,104
Payments to supplier and employees		(3,846,254)	(4,192,731)
<b>Net cash generated by operating activities</b>		<b>352,541</b>	<b>(30,788)</b>
<b>Cash Flows from Investing Activities</b>			
Fixed asset purchases		(106,763)	(163,678)
Proceeds on sale of fixed assets		6,364	15,636
<b>Net cash used in investing activities</b>		<b>(100,400)</b>	<b>(148,042)</b>
Net increase/ (decrease) in cash held		252,141	(178,830)
Cash at the beginning of the financial year		1,329,348	1,508,178
<b>Cash at the end of the financial year</b>		<b>1,581,489</b>	<b>1,329,348</b>

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

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**Note 1 – Statement of Significant Accounting Policies**

The financial statements cover Riverwood Community Centre Ltd as an individual entity. Riverwood Community Centre Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

Riverwood Community Centre Ltd applies the 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 and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 24 October 2018 by the Responsible Persons of the Company.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

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## **Significant Accounting Policies**

### **Revenue and Other Income**

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company 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 Company 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. The Company has implemented systems of control to ensure the monies received at its offices are properly recorded in the accounting records.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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 GST.

### **Fundraising Activities**

#### *Charitable Fundraising Act 1991*

This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in Note 16 are in accordance with Authority Condition 7, which is issued to the Company under Section 19 of the Act.

#### *Donations and bequests*

Returned as income as and only when received by the Company or deposited to the Company's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act. They are treated as gifts under the tax legislation.

### **Income Tax**

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

### **Property, Plant and Equipment**

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

#### **Leasehold Improvements**

Leasehold improvements are measured on the cost basis less depreciation and impairment losses.



**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

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### 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.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold lands, are depreciated on a straight line or diminishing value basis over their useful lives to the Company 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 life of the improvement.

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

Leasehold Improvements	2.5% - 20.0%
Office Equipment	10.0% - 50.0%
Motor Vehicles	7.5% - 25.0%

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

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 in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### Financial Instruments

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

#### *Initial Recognition & Measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

#### *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.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

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*(i) Loans and Receivables*

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

*(ii) 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 cost.

*(iii) Financial Liabilities*

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

**Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

**Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**Cash & 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 overdraft.

**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.

**Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

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Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or ownership over the term of the lease.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### **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.

### **Restricted & Unrestricted Funds**

Restricted Funds are funds received that must be spent on the purpose for which they were received or are held.

They comprise:

- Government funding and related interest that must be spent in accordance with the terms of a funding agreement.
- Donations and bequests where the donor indicates a preference for the use to which the funds are to be used.
- Donations received in response to specific purpose appeals.
- Provisions for statutory entitlements due to employees.

The Reserves as set out in Note 11 are Unrestricted Funds set aside for future capital expenditure of the Company and for the purpose specified by the Responsible Persons. These amounts can be returned to the Accumulated Funds at any time.

It is considered that all funds are externally restricted funds to be spent on the furtherance of the objective of the organization.

### **Comparative Figures**

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

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Note 2 – Revenue</b>			
<u>Operating Revenue</u>			
Grants Received		2,395,702	2,610,664
Project Income		964,038	857,038
Cleaning & Hire of Premises		286,939	343,396
Donations		60,255	26,274
Fundraising		13,927	0
Other Income		11,181	31,807
		3,732,042	3,869,179
<u>Other Revenue</u>			
Interest Received		33,137	32,104
Profit/(loss) on Sale of assets		3,053	15,636
		36,190	47,740
Total Revenue		3,768,232	3,916,919

**Note 3 – Surplus for the year**

The surplus for the year has been determined after charging:

a) Expenses

Depreciation of property, plant and equipment	65,846	47,220
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**Note 4 – Cash & Cash Equivalents**

Current

Cash on Hand	998	267
Cash at Bank	358,766	122,537
Short Term Investments	1,216,190	1,200,848
Undeposited Funds	5,534	5,696
	1,581,488	1,329,348

**Note 5 – Trade & Other Receivables**

Current

Trade Debtors	68,961	328,432
Less: Provision for doubtful debts	0	(22,460)
	68,961	305,972
Other Debtors	61,270	67,582
	130,231	373,554

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Note 6 – Prepayments</b>			
<u>Current</u>			
Prepayments		27,713	36,575
		27,713	36,575
<b>Note 7 – Property, Plant and Equipment</b>			
Plant & Equipment – cost		80,061	66,755
Less: Accumulated Depreciation		(29,234)	(16,016)
		50,828	50,739
Motor Vehicles – cost		325,255	314,428
Less: Accumulated Depreciation		(203,608)	(197,548)
		121,647	116,880
Leasehold Improvements		218,852	170,649
Less: Accumulated Depreciation		(82,155)	(66,911)
		136,697	103,738
Total Property, Plant and Equipment		309,172	271,357

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class or property, plant and equipment between the beginning and the end of the current financial year.

	Plant & Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance at 1 July 2017	50,739	116,880	103,738	271,357
Additions	13,307	45,253	48,203	106,763
Disposals	0	(3,102)	0	(3,102)
Depreciation	(13,218)	(37,384)	(15,244)	(65,846)
Balance at 30 June 2018	50,828	121,647	136,697	309,172

**Note 8 – Trade & Other Payables**

Current

Other Creditors	111,269	150,158
Payroll Liabilities	102,536	100,462
GST Payable	46,496	66,779
	260,301	317,399

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Note 9 – Funding Received in Advance</b>			
<u>Current</u>			
Income in Advance		148,683	63,320
Grants in Advance		0	133,395
Project Funding – unexpended funds		95,746	144,911
		244,429	341,626
<b>Note 10 – Provisions</b>			
<u>Current</u>			
Employee Entitlements		300,816	226,221
		300,816	226,221
<u>Non-Current</u>			
Employee Entitlements		63,787	66,711
		63,787	66,711

**Note 11 – Reserves**

Reserves reflect unrestricted funds set aside for future capital expenditure of the Company and for the purpose specified by the Responsible Persons. These amounts can be returned to the Accumulated Funds at any time. Details on specific reserves are as follows:

- a) Bus Replacement Reserve \$35,000 – reserve set aside to replace the 12-seater bus as required.
- b) Marketing, Growth & Development Reserve \$25,000 – reserve set aside for the marketing, growth and development of the childcare centre.
- c) IT Upgrade & Security Reserve \$57,500 – reserve set aside to cover hardware and software upgrades, and CCT security for the centre.
- d) Growth & Development Reserve – this reserve has been returned to Accumulated Funds.
- e) Training Reserve – this reserve has been returned to Accumulated Funds.
- f) Refurbish Premises Reserve \$50,000 – reserve set aside to cover kitchen renovations in the centre.
- g) Equipment Reserve \$50,000 – reserve set aside for the replacement of soft fall in the childcare centre, and long day care equipment.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

Note	2018 \$	2017 \$
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**Note 12 – Related Parties**

The Responsible Persons are not entitled to and did not receive benefits during the year. There were no loans in existence during the year or at balance date that were made, guaranteed or secured by the Company to the Responsible Persons, their partners, relatives or entities under their control or significant influence.

A Conflict of Interest Register is maintained in order to maintain transparency and manage risk of related party transactions. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The following transactions occurred with related parties:

- a) The Child Youth & Family Support Manager is the spouse of a Director of the Company. This role was already in existence prior to the Director being appointed to the Board. The Board follow a conflict of interest policy to preclude the Director from being involved in any decisions around employment conditions or performance issues that involve their spouse. The Child Youth & Family Support Manager is paid under the *Social, Community, Home Care and Disability Services Industry Award 2010*.

Related Party Transactions	<u>120,239</u>	<u>110,935</u>
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**Note 13 – Key Management Personnel Compensation**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Responsible Person (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation	<u>258,074</u>	<u>247,517</u>
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Compensation includes salary and wages, superannuation and fringe benefits.

**Note 14 – Financial Instruments**

**Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable, and leases.

The carrying amounts of 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 & Cash Equivalents	4	1,581,488	1,329,348
Trade & Other Receivables	5	<u>130,231</u>	<u>373,554</u>
Total Financial Assets		<u>1,711,719</u>	<u>1,702,902</u>

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>Note 14 – Financial Instruments (cont)</b>			
<b>Financial Liabilities</b>			
Trade & Other Payables	8	260,301	317,399
Total Financial Liabilities		<u>260,301</u>	<u>317,399</u>

**Note 15 – Capital and Leasing Commitments**

**Operating Lease Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements.

a) Riverwood Premises

Payable minimum lease payments

not later than 12 months	1	1
between 12 months and 5 years	4	4
more than 5 years	2	3
	<u>7</u>	<u>8</u>

Contingent rental provisions within the lease agreement require that the minimum annual lease payments be \$1.00 per annum if demanded by the lessor.

b) Punchbowl Premises

Payable minimum lease payments

not later than 12 months	10,000	10,000
between 12 months and 5 years	2,500	12,500
	<u>12,500</u>	<u>22,500</u>

Contingent rental provisions within the lease agreement require that the minimum annual lease payments be the greater of \$10,000 p.a. or 6% of gross Hire Fees.

**Note 16 – Fundraising and Donations Income and Expenses**

a) Details of Aggregate Gross Income

Gross Proceeds from Fundraising and Donations	31,528	0
Less: Cost of Fundraising and Donations	<u>(17,457)</u>	<u>0</u>
Net Surplus from Fundraising	<u>14,071</u>	<u>0</u>

b) Application of Funds for Charitable Purposes

During the year the Company achieved a net surplus of \$14,071 (2017: \$0) from fundraising and donation activities defined under the *Charitable Fundraising Act*. These funds were used to continue providing program benefits to the members.



**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2018**

Note	2018 \$	2017 \$
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**Note 16 – Fundraising and Donations Income and Expenses (cont)**

c) Fundraising Conducted Jointly with Traders

No appeals were conducted jointly with traders in the year ended 30 June 2018.

d) Fundraising Appeals as Classified by the *Charitable Fundraising Act* Conducted during the year

The Riverwood Autumn Fair was held in September 2017 as a free annual celebration of community.

e) Gross Comparisons including fundraising not covered by the *Charitable Fundraising Act*  
(Includes unsolicited and member's donations and bequests).

	Proceeds \$	Costs \$	Surplus \$	2018 %	2017 %
Total cost of all fundraising / Gross proceeds from all fundraising	74,181	17,457	56,724	23.5	N/A

**Note 17 – Events after the Reporting Date**

The Responsible Persons are aware of the following significant events since the end of the reporting period:

a) Government Funding

Government funding has not been renewed for the Housing Communities Program and Tenant Participation Resource Services Program from 30 November 2018. The Company estimates the loss of revenue for future years to be \$275,000 per annum, unless future application to renew funding is successful.

b) Operating Lease for Riverwood Premises

Georges River Council are currently reviewing the lease agreement for the use of Thurlow Street Community Hub. The Council has advised the market value for the use of premises to be \$11,750 per annum. The Company is negotiating a subsidised rent in line with the Council's Community Lease Policy.

**Note 18 – Company Details**

The principal place of business of the Company is:

Riverwood Community Centre Ltd  
151 Belmore Road North  
RIVERWOOD NSW 2210

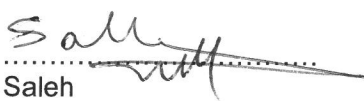
**Riverwood Community Centre Ltd  
Responsible Person's Declaration  
For the Year Ended 30 June 2018**

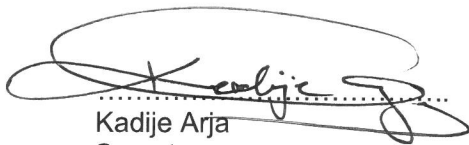
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The responsible persons declare that, in the responsible persons' opinion:

1. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Not-for-profits Commission Regulation 2013*, and;
  - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements, and
  - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
2. There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable

This declaration is signed in accordance with Subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

  
Karl Saleh  
Chairperson

  
Kadije Arja  
Secretary  
24.10.2018

Dated 24.10.2018


**Riverwood Community Centre Ltd**  
**Chairperson's Declaration under the Charitable Fundraising Act**  
**For the Year Ended 30 June 2018**

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*This declaration is made in accordance with Authority Conditions 7(4) and 7(5) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991.*

I, Karl Saleh, Chairperson of Riverwood Community Centre Ltd declare that in my opinion:

- (a) the Income Statement gives a true and fair view of all income and expenditure of Riverwood Community Centre Ltd with respect to fundraising appeals; and
- (b) the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by the Riverwood Community Centre Ltd are appropriate and effective in accounting for all income received and applied by the Riverwood Community Centre Ltd from any of its fundraising appeals.

  
.....  
Karl Saleh  
Chairperson

Dated 24.10.2018

**Riverwood Community Centre Ltd  
Independent Audit Report to the Members of  
Riverwood Community Centre Ltd  
For the Year Ended 30 June 2018**

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**Audit Opinion**

We have audited the financial report of Riverwood Community Centre Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Responsible Persons' Declaration.

In our opinion, the financial report of Riverwood Community Centre Ltd has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*,

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter**

We draw your attention to Note 1 to the financial report which describes the revenue recognition policy of the Riverwood Community Centre Ltd including the limitations that exist in relation to the recording of cash receipts of fundraising, general donations, and member activities. Revenue from this source represents a significant proportion of the Company's revenue. Our opinion is unmodified in respect of this matter.

**Information Other than the Financial Report and Auditor's Report Thereon**

The Responsible Persons are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Riverwood Community Centre Ltd  
Independent Audit Report to the Members of  
Riverwood Community Centre Ltd  
For the Year Ended 30 June 2018**

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### **Responsibilities of the Responsible Persons for the Financial Report**

The Responsible persons of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Responsible Persons determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible persons.
- Conclude on the appropriateness of the responsible persons use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**Riverwood Community Centre Ltd  
Independent Audit Report to the Members of  
Riverwood Community Centre Ltd  
For the Year Ended 30 June 2018**

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We communicate with the Responsible Persons regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Garcia Group Advisors  
Chartered Accountants



Michael Garcia  
Principal

OATLEY NSW 2223

Dated

24<sup>th</sup> October 2018