



Riverwood
Community
CENTRE

2018-19

Financial Statements

Financial Year Ending 30 June 2019

Growing
opportunities.
Strengthening
our community.

Riverwood Community Centre Lrd
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Riverwood Community Centre Ltd
Financial Statements
For the Financial Year Ended 30 June 2019

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**Riverwood Community Centre Ltd
Responsible Persons' Report
For the Year Ended 30 June 2019**

Your Board submit the financial report of Riverwood Community Centre Ltd ("the Company") for the year ended 30 June 2019.

Responsible Persons

The names of Responsible Persons throughout the year and at the date of this report are:

Karl Saleh
Helen Gialouris
Kadije Arja
Mohammad Huda
Morris Iemma (resigned 28 November 2018)
Manal Arbab
Pauline Gallagher
Vicky Wang
Zorka Petrovska

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 \$23,605 (2018: \$120,394), and the surplus for the year after transfers to/from reserves was \$93,605 (2018: \$282,894 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 Persons' Report
For the Year Ended 30 June 2019**

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	- Chairperson - Chairperson since 2017, Board Member since 2015 - Former Local Councillor, Canterbury City Council - Advanced Diploma Journalism
Mohammad Huda	- Board Member - Board Member since 2013 - Senior Client Service Officer, FACS Housing Services
Kadije Arja	- Board Member - Board Member since 2012 - Client Services Officer, FACS Housing Services
Helen Gialouris	- Board Member - Board Member since 2012 - Meals on Wheels Volunteer, Carers Group Volunteer, COTA Volunteer, Inner West Tenant Council, Helping Mentally Ill Customers, Secretary Inner West Tenant Council
Vicky Wang	- Board Member - Board Member since 2015 - Accountant - Operating Manager Clothing Company
Pauline Gallagher	- Board Member – casual vacancy - Board Member since 2016 - Former CEO of Riverwood Community Centre - Bachelor of Social Science
Marial Arbab	- Board Member - Board Member since 2017 - Community volunteer and research assistant - Qualifications in Sociology and Communications
Zorka Petrovska	- Board Member - Board Member since 2018 - Community volunteer and long-term resident

**Riverwood Community Centre Ltd
Responsible Persons' Report
For the Year Ended 30 June 2019**

Meetings of Responsible Persons

During the financial year, 10 meetings of Responsible Persons were held. Attendances by each Responsible Person were as follows:

	Meetings Attended	Eligible To Attend
Kadije Arja	3	10
Helen Gialouris	10	10
Mohammad Huda	3	10
Morris Iemma	0	5
Karl Saleh	10	10
Vicky Wang	7	10
Manal Arbab	9	10
Pauline Gallagher	4	7
Zorka Petrovska	5	6


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 2019, the number of members was 331 (2018: 311). At that date the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,310 (2018: \$3,110).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 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


Vicky Wang
Secretary

Dated 22nd October 2019

22nd October 2019

Riverwood Community Centre Ltd
Auditor's Independence Declaration to the Responsible Persons
For the Financial Year Ended 30 June 2019

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, as the audit principal for the audit of the financial statements of Riverwood Community Centre Ltd for the year ended 30 June 2019, we declare that, to the best of our knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Garcia Group Advisors
Chartered Accountants



Michael Garcia
Principal

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated 22nd October 2019

Riverwood Community Centre Ltd
Statement of Financial Position
As at 30 June 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash & Cash Equivalents	4	1,665,592	1,581,488
Trade & Other Receivables	5	189,340	130,231
Prepayments	6	9,704	27,713
Total Current Assets		1,864,636	1,739,432
Non-Current Assets			
Property, Plant & Equipment	7	290,608	309,172
Total Non-Current Assets		290,608	309,172
Total Assets		2,155,244	2,048,604
Current Liabilities			
Trade & Other Payables	8	272,287	260,301
Funding Received in Advance	9	339,329	244,429
Provisions	10	297,281	300,816
Total Current Liabilities		908,897	805,546
Non-Current Liabilities			
Provisions	10	43,471	63,787
Total Non-Current Liabilities		43,471	63,787
Total Liabilities		952,368	869,333
Net Assets		1,202,876	1,179,271
Members' Funds			
Reserves	11	147,500	217,500
Accumulated Funds		1,055,376	961,771
Total Members' Funds		1,202,876	1,179,271

Riverwood Community Centre Ltd
Statement of Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue from Ordinary Activities	2	3,684,328	3,768,232
Employee Benefits Expense		(2,881,153)	(3,059,726)
Depreciation and Amortisation Expense	3	(65,321)	(65,846)
Operating Lease & Premises		(221,610)	(121,677)
Service Costs		(297,681)	(220,172)
Other Administration Expenses		(194,960)	(180,417)
Surplus / (Deficit) from Ordinary Activities		23,605	120,394
Income Tax Expense		0	0
Surplus / (Deficit) after Income Tax		23,605	120,394
Transfer (to) / from Reserves			
Bus Replacement Reserve	11	0	105,000
Marketing, Growth & Development Reserve	11	0	61,000
IT Upgrade & Security Reserve	11	0	(18,500)
Growth & Development Reserve	11	0	50,000
Training Reserve	11	0	15,000
Refurbish Premises Reserve	11	20,000	0
Equipment Reserve	11	50,000	(50,000)
		70,000	162,500
Surplus / (Deficit) transferred to Accumulated Funds		93,605	282,894

Riverwood Community Centre Ltd
Statement of Changes in Equity
For the Year Ended 30 June 2019

	Accumulated Funds \$	Reserves \$	Total Members' Funds \$
Balance at 1 July 2017	678,877	380,000	1,058,877
Net Surplus / (Deficit)	120,394	0	120,394
Transfers from reserves	231,000	(231,000)	0
Transfers to reserves	(68,500)	68,500	0
Balance at 30 June 2018	961,771	217,500	1,179,271
Net Surplus / (Deficit)	23,605	0	23,605
Transfers from reserves	70,000	(70,000)	0
Transfers to reserves	0	0	0
Balance at 30 June 2019	1,005,376	197,500	1,202,876

	2019 \$	2018 \$
Reserves		
Bus Replacement Reserve	35,000	35,000
Marketing, Growth & Development Reserve	25,000	25,000
IT Upgrade & Security Reserve	57,500	57,500
Growth & Development Reserve	0	0
Training Reserve	0	0
Refurbish Premises Reserve	30,000	50,000
Equipment Reserve	0	50,000
Total Reserves	147,500	217,500

Riverwood Community Centre Ltd
Cash Flow Statement
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from operations		4,010,385	4,165,658
Interest received		35,728	33,137
Payments to supplier and employees		(3,915,254)	(3,846,254)
Net cash generated by operating activities		130,859	352,541
Cash Flows from Investing Activities			
Fixed asset purchases		(46,756)	(106,763)
Proceeds on sale of fixed assets		0	6,364
Net cash used in investing activities		(46,756)	(100,400)
Net increase/ (decrease) in cash held		84,103	252,141
Cash at the beginning of the financial year		1,581,489	1,329,348
Cash at the end of the financial year		1,665,592	1,581,489

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

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 22 October 2019 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 2019

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 2019

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 (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

Classification and Subsequent Measurement

Financial liabilities

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

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.

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.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

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.

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.

Economic Dependence

The Company is dependent on Government funding from various departments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe Government funding will not continue.

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 2019

New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 9: Financial Instruments

The Company has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, the Company has changed its financial instruments accounting policies as detailed in this note.

AASB 9 requires retrospective application with some exemptions and exceptions (e.g. when applying the effective interest method, impairment measurement requirements, and hedge accounting in terms of the Standard).

There were no financial assets/liabilities which the Company had previously designated as at fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the Company has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The Company applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The Company has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 July 2018.

The Responsible Persons of the Company determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- The Company's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through other comprehensive income. The movement in fair value on equity instruments is accumulated in the financial assets reserve.
- Financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9, as they are held to collect contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss (AASB 139) are still measured as such under AASB 9.

Impairment

As per AASB 9 an expected credit loss model is applied and not an incurred credit loss model as per the previous Standard applicable (AASB 139). To reflect changes in credit risk this expected credit loss model requires the Company to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument has not shown significant change since initial recognition, an expected credit loss amount equal to the 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

A simple approach is followed in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

The Company reviewed and assessed the existing financial assets on 1 July 2018. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that was available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 July 2017 and 1 July 2018. The assessment was done without undue cost or effort in accordance with AASB 9.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Note 2 – Revenue			
<u>Operating Revenue</u>			
Grants Received		2,492,112	2,395,702
Project Income		795,117	964,038
Cleaning & Hire of Premises		327,181	286,939
Donations		20,246	60,255
Fundraising		4,545	13,927
Other Income		9,036	11,181
		3,648,236	3,732,042
<u>Other Revenue</u>			
Interest Received		35,728	33,137
Profit/(loss) on Sale of assets		364	3,053
		36,092	36,190
Total Revenue		3,684,328	3,768,232

Note 3 – Surplus for the year

The surplus for the year has been determined after charging:

a) Expenses

Depreciation of property, plant and equipment	65,321	65,846
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Note 4 – Cash & Cash Equivalents

Current

Cash at Bank	433,203	358,766
Cash on Hand	2,000	998
Short Term Investments	1,228,907	1,216,190
Undeposited Funds	1,483	5,534
	1,665,592	1,581,488

Note 5 – Trade & Other Receivables

Current

Trade Debtors	142,771	68,961
Less: Provision for doubtful debts	(16,660)	0
	126,111	68,961
Other Debtors	63,229	61,270
	189,340	130,231

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Note 6 – Prepayments			
<u>Current</u>			
Prepayments		9,704	27,713
		<u>9,704</u>	<u>27,713</u>
Note 7 – Property, Plant and Equipment			
Plant & Equipment – cost		83,412	80,061
Less: Accumulated Depreciation		(42,384)	(29,234)
		<u>41,028</u>	<u>50,828</u>
Motor Vehicles – cost		325,255	325,255
Less: Accumulated Depreciation		(232,371)	(203,608)
		<u>92,884</u>	<u>121,647</u>
Leasehold Improvements		262,259	218,852
Less: Accumulated Depreciation		(105,563)	(82,155)
		<u>156,696</u>	<u>136,697</u>
Total Property, Plant and Equipment		<u>290,608</u>	<u>309,172</u>

(a) Movements in Carrying Amounts

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

	Plant & Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Balance at 1 July 2018	50,828	121,647	136,697	309,172
Additions	3,350	0	43,407	46,757
Disposals	0	0	0	0
Depreciation	(13,150)	(28,763)	(23,408)	(65,321)
Balance at 30 June 2019	<u>41,028</u>	<u>92,884</u>	<u>156,696</u>	<u>290,608</u>

Note 8 – Trade & Other Payables

Current

Trade & Other Creditors	154,543	111,269
Payroll Liabilities	64,266	102,536
GST Payable	53,478	46,496
	<u>272,287</u>	<u>260,301</u>

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Note 9 – Funding Received in Advance			
<u>Current</u>			
Income in Advance		146,288	148,683
Grants in Advance		80,484	0
Project Funding – unexpended funds		112,557	95,746
		339,329	244,429

Note 10 – Provisions

<u>Current</u>			
Employee Entitlements		297,281	300,816
		297,281	300,816
<u>Non-Current</u>			
Employee Entitlements		43,471	63,787
		43,471	63,787

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. Reserves have been set aside for the following purposes:

Bus Replacement Reserve			
• Replace the 12-seater bus as required		35,000	35,000
Marketing, Growth & Development Reserve			
• Marketing, growth and development of the childcare centre		25,000	25,000
IT Upgrade & Security Reserve			
• Cover hardware and software upgrades, and CCT security for the centre		57,500	57,500
Refurbish Premises Reserve			
• Kitchen and other renovations in the centre		30,000	50,000
Equipment Reserve			
• Replacement of soft fall in the childcare centre, and long day care equipment		0	50,000
		147,500	217,500
Total Reserves			

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

Note	2019 \$	2018 \$
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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*.

Transactions during the year	127,131	120,239
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- a) Pauline Gallagher was employed briefly during August 2018 in a casual role as Governance Manager, and is also a Director of the Company.

Transactions during the year	8,187	0
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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	198,919	258,074
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Compensation includes salary and wages, superannuation and fringe benefits.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
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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 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash & Cash Equivalents	4	1,665,592	1,581,488
Trade & Other Receivables	5	189,340	130,231
Total Financial Assets		1,854,932	1,711,719

Financial Liabilities

Trade & Other Payables	8	272,287	260,301
Total Financial Liabilities		272,287	260,301

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	1	2
	6	7

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	2,500	10,000
between 12 months and 5 years	0	2,500
	2,500	12,500

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. The lease expired 30 September 2019.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Note 16 – Fundraising and Donations Income and Expenses			
a) <u>Details of Aggregate Gross Income</u>			
Gross Proceeds from Fundraising and Donations		16,045	31,528
Less: Cost of Fundraising and Donations		0	(17,457)
Net Surplus from Fundraising		16,045	14,071

b) Application of Funds for Charitable Purposes

During the year the Company achieved a net surplus of \$16,045 (2018: \$14,071) from fundraising and donation activities defined under the *Charitable Fundraising Act*. These funds were used to continue providing program benefits to the members.

c) Fundraising Conducted Jointly with Traders

No appeals were conducted jointly with traders in the year ended 30 June 2019.

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

- The Canterbury Bankstown Harmony Day ceremony was held on 21 March 2019 as an event to support inclusiveness, respect and belonging for all Australians, regardless of cultural or linguistic background.
- The Riverwood Community Fair is scheduled to be held on 26 October 2019 as an 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 \$	2019 %	2018 %
Total cost of all fundraising / Gross proceeds from all fundraising	24,791	0	24,791	100.0	23.5

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) Georges River Council are currently reviewing the lease agreement for the use of 44 Rossmore St, Punchbowl (Punchbowl Community Centre). The lease expired 30 September 2019.

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 Persons' Declaration
For the Year Ended 30 June 2019**


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 2019 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

Dated 22ND OCTOBER 2019


Wicky Wang
Secretary

22ND OCTOBER 2019

Riverwood Community Centre Ltd
Chairperson's Declaration under the Charitable Fundraising Act
For the Year Ended 30 June 2019

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 22nd October 2019

**Riverwood Community Centre Ltd
Independent Audit Report to the Members of
Riverwood Community Centre Ltd
For the Year Ended 30 June 2019**

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 2019, 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 2019 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 2019, 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 2019**

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 2019**

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

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated 22nd October 2019