



2019–20 Financial Statements

Financial Year Ending 30 June 2020

Active through change.
Supporting the **community**.



Riverwood Community Centre Ltd
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Riverwood Community Centre Ltd
Financial Statements
For the Financial Year Ended 30 June 2020

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**Riverwood Community Centre Ltd
Responsible Persons' Report
For the Year Ended 30 June 2020**

Your Board submit the financial report of Riverwood Community Centre Ltd ("the Company") for the year ended 30 June 2020.

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
Manal Arbab
Pauline Gallagher
Vicky Wang
Zorka Petrovska
Youcef Kabbara

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 \$310,336 (2019: \$23,605), and the surplus for the year after transfers to/from reserves was \$239,358 (2019: \$93,605 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 2020**

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"> - Chairperson - Chairperson since 2017, Board Member since 2015 - Former Local Councillor, Canterbury City Council - Advanced Diploma Journalism
Helen Gialouris	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Board Member - Board Member since 2015 - Accountant - Operating Manager Clothing Company
Pauline Gallagher	<ul style="list-style-type: none"> - Board Member - Board Member since 2016 - Former CEO of Riverwood Community Centre - Bachelor of Social Science
Manal Arbab	<ul style="list-style-type: none"> - Board Member - Board Member since 2017 - Community volunteer and research assistant - Qualifications in Sociology and Communications
Zorka Petrovska	<ul style="list-style-type: none"> - Board Member - Board Member since 2018 - Community volunteer and long-term resident
Youcef Kabbara	<ul style="list-style-type: none"> - Board Member - Board Member since 2019 - Risk and security management professional - Volunteer and Director with Canterbury & Districts Soccer Football Association

**Riverwood Community Centre Ltd
Responsible Persons' Report
For the Year Ended 30 June 2020**

Meetings of Responsible Persons

During the financial year, 9 meetings of Responsible Persons were held. Attendances by each Responsible Person were as follows:

	Meetings Attended	Eligible To Attend
Kadije Arja	0	3
Helen Gialouris	6	9
Mohammad Huda	0	3
Karl Saleh	9	9
Vicky Wang	3	9
Manal Arbab	7	9
Pauline Gallagher	8	9
Zorka Petrovska	6	9
Youcef Kabbara	6	6

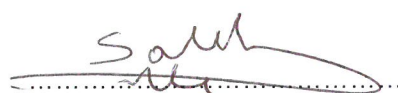
Members Limited Liability

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 2020, the number of members was 329 (2019: 331). At that date the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,290 (2019: \$3,310).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 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

Dated 6 / 11 / 20



Pauline Gallagher
Secretary

Riverwood Community Centre Ltd
Auditor's Independence Declaration to the Responsible Persons
For the Financial Year Ended 30 June 2020

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 2020, 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

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a long horizontal line.

Michael Garcia
Principal

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated: 31st August 2020

Riverwood Community Centre Ltd
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash & Cash Equivalents	4	1,791,999	1,665,592
Trade & Other Receivables	5	220,141	189,340
Prepayments	6	67,350	9,704
Total Current Assets		2,079,490	1,864,636
Non-Current Assets			
Property, Plant & Equipment	7	354,890	290,608
Total Non-Current Assets		354,890	290,608
Total Assets		2,434,380	2,155,244
Current Liabilities			
Trade & Other Payables	8	522,728	611,616
Provisions	9	267,349	297,281
Total Current Liabilities		790,077	908,897
Non-Current Liabilities			
Provisions	9	94,359	43,471
Total Non-Current Liabilities		94,359	43,471
Total Liabilities		884,436	952,368
Net Assets		1,549,944	1,202,876
Members' Funds			
Reserves	10	218,478	147,500
Accumulated Funds		1,331,466	1,055,376
Total Members' Funds		1,549,944	1,202,876

The accompanying notes form part of these financial statements.

Riverwood Community Centre Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from Ordinary Activities	2	3,488,895	3,684,328
Other Government Subsidies	2	494,000	0
Employee Benefits Expense		(3,007,807)	(2,881,153)
Depreciation and Amortisation Expense	3	(77,805)	(65,321)
Operating Lease	3	(51,509)	(61,107)
Service Costs		(210,268)	(297,681)
Other Administration Expenses		(325,170)	(355,461)
Surplus / (Deficit) before income tax		310,336	23,605
Income Tax Expense		0	0
Surplus / (Deficit) after Income Tax		310,336	23,605
 Other Comprehensive Income			
 Total comprehensive income attributable to the Accumulated Surplus		310,336	23,605

Riverwood Community Centre Ltd
Statement of Changes in Equity
For the Year Ended 30 June 2020

	Accumulated Funds \$	Reserves \$	Total Members' Funds \$
Balance at 1 July 2018	961,771	217,500	1,179,271
Net Surplus / (Deficit)	23,605	0	23,605
Transfers to / from reserves	70,000	(70,000)	0
Balance at 30 June 2019	1,055,376	147,500	1,202,876
Net Surplus / (Deficit)	310,336	0	310,336
Adoption of AASB 15 and AASB 1058	36,732	0	36,732
Transfers to / from reserves	(70,978)	70,978	0
Balance at 30 June 2020	1,331,466	218,478	1,549,944

	2020 \$	2019 \$
Reserves		
Bus Replacement Reserve	35,000	35,000
Marketing, Growth & Development Reserve	25,000	25,000
IT Upgrade & Security Reserve	57,500	57,500
Refurbish Premises Reserve	30,000	30,000
Equipment Reserve	0	0
Restricted Grants Reserve	70,978	0
Total Reserves	218,478	147,500

The accompanying notes form part of these financial statements.

Riverwood Community Centre Ltd
Cash Flow Statement
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from operations		3,765,660	4,010,385
Other Government Subsidies		347,000	0
Interest received		24,488	35,728
Payments to supplier and employees		(3,869,397)	(3,915,254)
Net cash generated by operating activities		267,751	130,859
Cash Flows from Investing Activities			
Fixed asset purchases		(153,373)	(46,756)
Proceeds on sale of fixed assets		12,029	0
Net cash used in investing activities		(141,344)	(46,756)
Net increase/ (decrease) in cash held		126,407	84,103
Cash at the beginning of the financial year		1,665,592	1,581,489
Cash at the end of the financial year		1,791,999	1,665,592

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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 5 November 2020 by the Responsible Persons of the Company.

Revenue Recognition

The Company has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes are disclosed in Note 1.

Revenue in the Current Year*Operating Grants, Donations and Bequests*

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

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. This includes (but is not limited to) reducing cash collections for childcare services, segregating the duties of the cash collection, banking and accounting functions, issuing receipts for income received in cash, and requiring supervisor or manager approval for all group activities involving cash receipts.

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

All revenue is stated net of the amount of GST.

Revenue in the Comparative Period

Non-reciprocal grant revenue is recognised in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Company 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.

Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

Fringe Benefits Tax

As a public benevolent institution, the Company is exempt from fringe benefits tax paid to employees where the grossed-up value of the benefit is less than \$30,000. Grossed up value of specified fringe benefits to individual employees has been included on each employee's PAYG Payment Summary as required by law.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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.

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.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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*.

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 in 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.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises (where material) the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

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. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations.

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.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as peppercorn/concessionary leases), the Company has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

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.

Unrestricted Funds are set aside for future capital expenditure of the Association 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 Company.

Provisions

Provisions are recognised when the Company 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 2020

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 15 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.

Key Judgements

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the entity.

New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 16: Leases

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under AASB 117: Leases where the Company is the lessee.

All leases of the Company were assessed as low value leases, as the lease terms were considered immaterial to the financial statements (as shown in Note 14).

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

Initial application of AASB 15 and AASB 1058

The Company has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Company has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was an increase of \$36,732 with a corresponding decrease in contract liabilities. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019.

	As presented on 30 June 2019 \$	Application of AASB 15 and AASB 1058 \$	Balance as at 1 July 2019 \$
Statement of financial position			
CURRENT LIABILITIES			
Deferred Income	245,819	(245,819)	0
Contract Liability	0	209,087	209,087
EQUITY			
Retained Surplus	1,055,376	36,732	1,092,108

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Note 2 – Revenue			
<u>Operating Revenue</u>			
Grants Received		2,463,760	2,492,112
Project Income		727,630	795,117
Cleaning & Hire of Premises		224,496	327,181
Donations		16,605	20,246
Fundraising		4,472	4,545
Sponsorship Income		4,018	0
Other Income		22,683	9,036
Interest Received		24,488	35,728
Profit/(loss) on Sale of assets		743	363
		3,488,895	3,684,328
<u>Other Government Subsidies</u>			
Cashflow Boost Subsidy		50,000	0
JobKeeper Subsidy		444,000	0
		494,000	0
Total Revenue		3,982,895	3,684,328

Note 3 – Surplus for the year

The surplus for the year has been determined after charging:

a) Expenses

Depreciation of property, plant and equipment	77,805	65,321
Depreciation of right of use asset	0	0
Rental expense on operating leases	51,509	61,107

Note 4 – Cash & Cash Equivalents

Current

Cash at Bank	545,139	433,203
Cash on Hand & Undeposited Funds	4,880	3,483
Short Term Investments	1,241,980	1,228,907
	1,791,999	1,665,592

Note 5 – Trade & Other Receivables

Current

Trade Debtors	76,898	142,771
Less: Provision for doubtful debts	(3,885)	(16,660)
	73,013	126,111
Other Debtors	147,128	63,229
	220,141	189,340

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Note 6 – Prepayments			
<u>Current</u>			
Prepayments		67,350	9,704
		<u>67,350</u>	<u>9,704</u>
Note 7 – Property, Plant and Equipment			
Plant & Equipment – cost		150,270	83,412
Less: Accumulated Depreciation		<u>(57,218)</u>	<u>(42,384)</u>
		93,052	41,028
Motor Vehicles – cost		306,173	325,255
Less: Accumulated Depreciation		<u>(245,249)</u>	<u>(232,371)</u>
		60,924	92,884
Leasehold Improvements		348,774	262,259
Less: Accumulated Depreciation		<u>(147,861)</u>	<u>(105,563)</u>
		200,913	156,696
Total Property, Plant and Equipment		<u>354,889</u>	<u>290,608</u>

(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 2019	41,028	92,884	156,696	290,608
Additions	66,858	0	86,515	153,373
Disposals	0	(11,287)	0	(11,287)
Depreciation	<u>(14,834)</u>	<u>(20,673)</u>	<u>(42,298)</u>	<u>(77,805)</u>
Balance at 30 June 2020	<u>93,052</u>	<u>60,924</u>	<u>200,913</u>	<u>354,889</u>

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Note 8 – Trade & Other Payables			
<u>Current</u>			
Trade & Other Creditors		195,622	241,910
Payroll Liabilities		91,972	64,266
GST Payable		39,703	53,478
Funds Held in Trust		27,270	6,143
Deferred Income		0	245,819
Contract Liabilities	8(b)	168,161	0
		522,728	611,616
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade & Other Payables		522,728	611,616
Less: funds held in trust		(27,270)	(6,143)
Less: deferred income		0	(245,819)
Less: contract liability		(168,161)	0
Financial liabilities as trade and other payables		327,297	359,654
(b) Contract Liabilities			
Balance at the beginning of the year		0	0
Reclassified from Deferred income on initial application of AASB 15.		209,087	0
Additions:			
Commercial Activities for which performance obligations will only be satisfied in subsequent years		66,560	0
Grants for which performance obligations will only be satisfied in subsequent years		101,601	0
Less:			
Revenue recognised during the year from prior year contract liabilities		(209,087)	
Closing balance at the end of the year		168,161	0

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15 the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Note 9 – Provisions			
<u>Current</u>			
Employee Entitlements		267,349	297,281
		267,349	297,281
<u>Non-Current</u>			
Employee Entitlements		94,359	43,471
		94,359	43,471

Note 10 – Reserves

Reserves have been set aside for both restricted and unrestricted purposes.

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

Unrestricted funds are 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 – Unrestricted			
• Replace the 12-seater bus as required		35,000	35,000
Marketing, Growth & Development Reserve – Unrestricted			
• Marketing, growth and development of the childcare centre		25,000	25,000
IT Upgrade & Security Reserve – Unrestricted			
• Cover hardware and software upgrades, and CCT security for the centre		57,500	57,500
Refurbish Premises Reserve – Unrestricted			
• Kitchen and other renovations in the centre		30,000	30,000
Grants Reserve – Restricted			
• Restricted project funds received under a Grant Agreement, not yet acquitted		70,978	0
Total Reserves		218,478	147,500

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

Note	2020 \$	2019 \$
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Note 11 – 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	130,299	127,131
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- a) Pauline Gallagher was employed briefly during August 2019 in a casual role as Governance Manager, and is also a Director of the Company.

Transactions during the year	0	8,187
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Note 12 – 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	271,375	198,919
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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 2020

	Note	2020 \$	2019 \$
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Note 13 – 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	1,791,999	1,665,592
Trade & Other Receivables	5	220,141	189,340
Total Financial Assets		<u>2,012,140</u>	<u>1,854,932</u>

Financial Liabilities

Trade & Other Payables	8(a)	327,297	359,654
Total Financial Liabilities		<u>327,297</u>	<u>359,654</u>

Note 14 – 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
between 12 months and 5 years
more than 5 years

1	1
4	4
0	1
<u>5</u>	<u>6</u>

b) Punchbowl Premises

Payable minimum lease payments
not later than 12 months
between 12 months and 5 years

0	2,500
0	0
<u>0</u>	<u>2,500</u>

c) Thurlow Street Premises

Payable minimum lease payments
not later than 12 months
between 12 months and 5 years

479	0
240	0
<u>719</u>	<u>0</u>

Riverwood Community Centre Ltd
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

Note	2020 \$	2019 \$
Note 15 – Fundraising and Donations Income and Expenses		
a) <u>Details of Aggregate Gross Income</u>		
Gross Proceeds from Fundraising and Donations	8,568	16,045
Less: Cost of Fundraising and Donations	(834)	0
Net Surplus from Fundraising	7,734	16,045

b) Application of Funds for Charitable Purposes

During the year the Company achieved a net surplus of \$7,734 (2019: \$16,045) 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 2020.

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

- The Riverwood Community Fair was held on 26 October 2019 as an annual celebration of community.
- The Canterbury Bankstown Harmony Day ceremony was scheduled to be held on 24 March 2020 as an event to support inclusiveness, respect and belonging for all Australians, regardless of cultural or linguistic background. The event was postponed due to concerns about COVID-19.

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

	Proceeds \$	Costs \$	Surplus \$	2020 %	2019 %
Surplus of all fundraising / Gross proceeds from all fundraising	25,095	834	24,261	96.7	100.0

Note 16 – 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
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2020

Note	2020 \$	2019 \$
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Note 17 – Events after the Reporting Date

Coronavirus (COVID-19)

Beginning in February 2020, the Australian Government has issued increasingly stringent orders to contain the spread of COVID-19, including social restrictions and travel bans. In response the Company has implemented COVID safe measures, including (but not limited to):

- Remote work of staff and committee meetings
- Limiting work of volunteers during the emergency response phase of the pandemic
- Reduced access and controls to the Centre, including monitoring access at entry points
- Screening guests and attendees at the premises, and maintaining contact tracing details
- Group Activities were suspended until direction was provided from the Government
- Heightened cleaning for high use areas within the Centre
- Other steps for the safety of members and clients

This has ensured the Company can continue to provide essential community transport services to its clients.

The Responsible Persons have reviewed their financial forecasts in response to COVID-19 and, where possible, adjusted for potential impacts to revenue, expenses and cash flows. While the Responsible Persons are confident of the financial forecasts prepared, the quantum of any such impact is currently unable to be accurately estimated and, as such, no adjustments to the financial statements have been made as a result of the COVID-19 situation.

The Responsible Persons will continue to assess the impact of COVID-19 on the Company, including the impact on existing or planned projects.

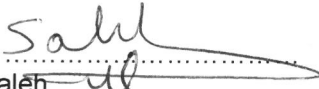
Other than the above, the Responsible Persons are not aware of any significant events since the end of the reporting period

**Riverwood Community Centre Ltd
Responsible Persons' Declaration
For the Year Ended 30 June 2020**

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 2020 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 Salén
Chairperson

Dated

6/11/20

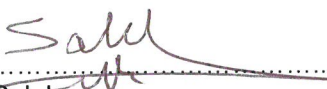

Pauline Gallagher
Secretary

Riverwood Community Centre Ltd
Chairperson's Declaration under the Charitable Fundraising Act
For the Year Ended 30 June 2020

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 6/11/20

**Riverwood Community Centre Ltd
Independent Audit Report to the Members of
Riverwood Community Centre Ltd
For the Year Ended 30 June 2020**

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 2020, 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 2020 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 2020, 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 2020**

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 2020**

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

A handwritten signature in blue ink, appearing to be 'Michael Garcia', with a long horizontal stroke extending to the right.

Michael Garcia
Principal

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated

6/11/20