

**Riverwood Community Centre Ltd**  
**Financial Statements**  
**For the Financial Year Ended 30 June 2021**

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**Contents**

Responsible Persons' Report	2
Auditor's Independence Declaration	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11
Responsible Persons' Declaration	26
Chairperson's Declaration under the Charitable Fundraising Act	27
Independent Audit Report to the Members	28

**Riverwood Community Centre Ltd  
Responsible Persons' Report  
For the Year Ended 30 June 2021**

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Your Board submit the financial report of Riverwood Community Centre Ltd ("the Company") for the year ended 30 June 2021.

### **Responsible Persons**

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

Karl Saleh OAM	Elected 22/11/2017
Helen Gialouris	Resigned 24/11/2020
Manal Arbab	Resigned 24/11/2020
Pauline Gallagher OAM	Elected 26/11/2019
Vicky Wang	Resigned 19/01/2021
Zorka Petrovska	Elected 14/11/2018
Youcef Kabbara	Elected 13/11/2019
Robert Furolo	Appointed 25/08/2020
Billy Baydoun	Appointed 25/08/2020 – Resigned 19/01/2021
Wadaha Hussein	Appointed 24/11/2020
Kevin Mooney	Appointed 24/11/2020
Xiaodi (Tommy) Pan	Appointed 30/03/2021
Ian Lilley	Appointed 19/01/2021

### **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 \$485,156 (2020: \$310,336), and the surplus for the year after transfers to/from reserves was \$492,753 (2020: \$239,358). 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 2021**

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## **Strategies**

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

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

## **Key Performance Measures**

Key performance measures used by the Company are:

- The financial situation and performance are 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 OAM	<ul style="list-style-type: none"> <li>- Chairperson since 2017, Board Member since 2015</li> <li>- Former Deputy Mayor of Canterbury City Council</li> <li>- Member of the Order of Australia OAM</li> <li>- Founder and President of Canterbury Bankstown Harmony Group</li> <li>- Over 25 years' experience in Media and Journalism.</li> <li>- Advanced Diploma in Governance for Not-for-profit (NFP) organisations.</li> </ul>
Pauline Gallagher OAM	<ul style="list-style-type: none"> <li>- Board Member since 2016</li> <li>- Treasurer</li> <li>- Former CEO of Riverwood Community Centre</li> <li>- Member of the Order of Australia OAM</li> <li>- Bachelor of Social Science</li> </ul>
Zorka Petrovska	<ul style="list-style-type: none"> <li>- Board Member since 2018</li> <li>- Community volunteer and long-term resident of Riverwood</li> </ul>
Youcef Kabbara	<ul style="list-style-type: none"> <li>- Board Member since 2020</li> <li>- Risk and security management professional</li> <li>- Volunteer and Director with Canterbury &amp; Districts Soccer Football Association.</li> </ul>
Robert Furolo	<ul style="list-style-type: none"> <li>- Board Member since 2020</li> <li>- Former State Member for Lakemba and Mayor of Canterbury City Council</li> <li>- Founder and principal of a planning advisory and community engagement business, with an interest in social and affordable housing.</li> </ul>
Ian Lilley	<ul style="list-style-type: none"> <li>- Board Member since 2021</li> <li>- Masters of Business in Management</li> <li>- HR Director Australia and New Zealand Martin Brower Australia</li> <li>- 20 years' experience strategic and innovative leader who achieves tangible improvements in profitability, growth and employee engagement.</li> </ul>

**Riverwood Community Centre Ltd  
Responsible Persons' Report  
For the Year Ended 30 June 2021**

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Kevin Mooney	- Board Member since 2020 - Local resident who is committed to his community and Human Resources Professional with a large amount of experience working in the Government and NFP Sector.
Xiaodi (Tommy) Pan	- - Board Member since 2021 - Qualified Accountant living and working within Riverwood - Assistant Treasurer and member of the Finance Committee.
Wadaha Hussein	- Board Member since 2020 - Senior Behaviour Therapist with current professional experience obtained from clinical settings, ethical and WHS standards training. - Former employee of RCC and the Co-founder of the Sudanese Girls Youth Group in Riverwood.

### **Meetings of Responsible Persons**

During the financial year, 11 meetings of Responsible Persons were held. Attendances by each Responsible Person were as follows:

	<b>Eligible To Attend</b>	<b>Meetings Attended</b>
Karl Saleh OAM	11	11
Pauline Gallagher OAM	11	10
Youcef Kabbara	11	3
Zorka Petrovska	11	10
Manal Arbab	5	5
Robert Furolo	9	7
Billy Baydoun	5	2
Kevin Mooney	6	5
Wadaha Hussein	6	3
Ian Lilley	5	5
Xiaodi (Tommy) Pan	2	2

### **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. On 30 June 2021, the number of members was 335 (2020: 329). At that date, the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,350 (2020: \$3,290).




**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Responsible Persons.

  
.....  
Karl Saleh OAM  
Chairperson

  
.....  
Pauline Gallagher OAM  
Treasurer

Dated 4<sup>TH</sup> NOVEMBER 2021

**Riverwood Community Centre Ltd**  
**Auditor's Independence Declaration to the Responsible Persons**  
**For the Financial Year Ended 30 June 2021**

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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 2021, 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 black ink, starting with a large 'V' shape and extending horizontally to the right.

Michael Garcia  
Principal

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated: 12<sup>th</sup> July 2021

**Riverwood Community Centre Ltd**  
**Statement of Financial Position**  
**As at 30 June 2021**

	Note	2021 \$	2020 \$
<b>Current Assets</b>			
Cash & Cash Equivalents	4	2,355,717	1,791,999
Trade & Other Receivables	5	206,987	220,141
Prepayments	6	62,731	67,350
<b>Total Current Assets</b>		<b>2,625,435</b>	<b>2,079,490</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	262,496	354,890
<b>Total Non-Current Assets</b>		<b>262,496</b>	<b>354,890</b>
<b>Total Assets</b>		<b>2,887,931</b>	<b>2,434,380</b>
<b>Current Liabilities</b>			
Trade & Other Payables	8	513,393	522,728
Provisions	9	289,553	267,349
<b>Total Current Liabilities</b>		<b>802,946</b>	<b>790,077</b>
<b>Non-Current Liabilities</b>			
Provisions	9	49,885	94,359
<b>Total Non-Current Liabilities</b>		<b>49,885</b>	<b>94,359</b>
<b>Total Liabilities</b>		<b>852,831</b>	<b>884,436</b>
<b>Net Assets</b>		<b>2,035,100</b>	<b>1,549,944</b>
<b>Members' Funds</b>			
Reserves	10	210,881	218,478
Accumulated Funds		1,824,219	1,331,466
<b>Total Members' Funds</b>		<b>2,035,100</b>	<b>1,549,944</b>

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 2021**

	Note	2021 \$	2020 \$
<b>Revenue from Ordinary Activities</b>	2	3,467,209	3,488,895
Other Government Subsidies	2	767,300	494,000
Employee Benefits Expense		(3,030,474)	(3,007,807)
Depreciation and Amortisation Expense	3	(89,673)	(77,805)
Operating Lease	3	(18,079)	(51,509)
Service Costs		(183,863)	(210,170)
Other Administration Expenses		(427,264)	(325,170)
<b>Surplus / (Deficit) before income tax</b>		<b>485,156</b>	<b>310,336</b>
Income Tax Expense		0	0
<b>Surplus / (Deficit) after Income Tax</b>		<b>485,156</b>	<b>310,336</b>
 <b>Other Comprehensive Income</b>			
 <b>Total comprehensive income attributable to the Accumulated Surplus</b>		<b>485,156</b>	<b>310,336</b>

The accompanying notes form part of these financial statements.

**Riverwood Community Centre Ltd**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2021**

	Accumulated Funds \$	Reserves \$	Total Members' Funds \$
<b>Balance at 1 July 2019</b>	<b>1,055,376</b>	<b>147,500</b>	<b>1,202,876</b>
Net Surplus / (Deficit)	310,336	0	310,336
	36,732	0	36,732
Transfers to / from reserves	(70,978)	70,978	0
<b>Balance at 30 June 2020</b>	<b>1,331,466</b>	<b>218,478</b>	<b>1,549,944</b>
Net Surplus / (Deficit)	485,156	0	485,156
Transfers to / from reserves	7,597	(7,597)	0
<b>Balance at 30 June 2021</b>	<b>1,824,219</b>	<b>210,881</b>	<b>2,035,100</b>

	2021 \$	2020 \$
<b>Reserves</b>		
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	63,381	70,978
<b>Total Reserves</b>	<b>210,881</b>	<b>218,478</b>

**Riverwood Community Centre Ltd**  
**Cash Flow Statement**  
**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from operations		3,582,876	3,765,660
Other Government Subsidies		864,300	347,000
Interest received		16,047	24,488
Payments to supplier and employees		(3,926,287)	(3,869,397)
<b>Net cash generated by operating activities</b>		<b>536,936</b>	<b>267,751</b>
<b>Cash Flows from Investing Activities</b>			
Fixed asset purchases		(13,319)	(153,373)
Proceeds on sale of fixed assets		40,101	12,029
<b>Net cash used in investing activities</b>		<b>26,782</b>	<b>(141,344)</b>
Net increase/ (decrease) in cash held		563,718	126,407
Cash at the beginning of the financial year		1,791,999	1,665,592
<b>Cash at the end of the financial year</b>		<b>2,355,717</b>	<b>1,791,999</b>

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

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

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

**Basis of Preparation**

Riverwood Community Centre Ltd applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 4 November 2021 by the Responsible Persons of the Company.

**Revenue Recognition**

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.

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.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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.

**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.

**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.



**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

*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*.

*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.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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.

**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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

**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.

**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.

**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.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### **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 exercising 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.

### **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.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### **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 indicate 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.

### **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.

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Note 2 – Revenue</b>			
<u>Operating Revenue</u>			
Grants Received		2,424,387	2,463,760
Project Income		769,099	727,630
Cleaning & Hire of Premises		172,203	224,496
Donations		5,056	16,605
Fundraising		0	4,472
Sponsorship Income		210	4,018
Other Income		56,146	22,683
Interest Received		16,047	24,488
Profit/(loss) on Sale of assets		24,061	743
		3,467,209	3,488,895
<u>Other Government Subsidies</u>			
Cashflow Boost Subsidy		50,000	50,000
JobKeeper Subsidy		717,300	444,000
		767,300	494,000
Total Revenue		4,234,509	3,982,895

**Note 3 – Surplus for the year**

The surplus for the year has been determined after charging:

a) Expenses

Depreciation of property, plant and equipment	89,673	77,805
Depreciation of right of use asset	0	0
Rental expense on operating leases	18,079	51,509

**Note 4 – Cash & Cash Equivalents**

Current

Cash at Bank	866,193	545,139
Cash on Hand & Undeposited Funds	400	4,880
Short Term Investments	1,489,124	1,241,980
	2,355,717	1,791,999

**Note 5 – Trade & Other Receivables**

Current

Trade Debtors	170,924	76,898
Less: Provision for doubtful debts	(3,885)	(3,885)
	167,039	73,013
Other Debtors	39,948	147,128
	206,987	220,141

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Note 6 – Prepayments</b>			
<u>Current</u>			
Prepayments		62,731	67,350
		<u>62,731</u>	<u>67,350</u>
<b>Note 7 – Property, Plant and Equipment</b>			
Plant & Equipment – cost		163,589	150,270
Less: Accumulated Depreciation		(85,589)	(57,218)
		<u>78,000</u>	<u>93,052</u>
Motor Vehicles – cost		259,682	306,173
Less: Accumulated Depreciation		(229,487)	(245,249)
		<u>30,195</u>	<u>60,924</u>
Leasehold Improvements		348,774	348,774
Less: Accumulated Depreciation		(194,473)	(147,861)
		<u>154,301</u>	<u>200,913</u>
Total Property, Plant and Equipment		<u>262,496</u>	<u>354,889</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 2020	93,052	60,924	200,913	354,889
Additions	13,319	0	0	13,319
Disposals	0	(16,039)	0	(16,039)
Depreciation	(28,371)	(14,690)	(46,612)	(89,673)
Balance at 30 June 2021	<u>78,000</u>	<u>30,195</u>	<u>154,301</u>	<u>262,496</u>

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Note 8 – Trade &amp; Other Payables</b>			
<u>Current</u>			
Trade & Other Creditors		241,145	195,622
Payroll Liabilities		84,692	91,972
GST Payable		51,625	39,703
Funds Held in Trust		13,308	27,270
Contract Liabilities	8(b)	122,623	168,161
		513,393	522,728
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade & Other Payables		513,393	522,728
Less: funds held in trust		(13,308)	(27,270)
Less: deferred income		0	0
Less: contract liability		(122,623)	(168,161)
Financial liabilities as trade and other payables		377,462	327,297
(b) Contract Liabilities			
Balance at the beginning of the year		168,161	209,087
Additions:			
Commercial Activities for which performance obligations will only be satisfied in subsequent years		60,583	66,560
Grants for which performance obligations will only be satisfied in subsequent years		62,040	101,601
Less:			
Revenue recognised during the year from prior year contract liabilities		(168,161)	(209,087)
Closing balance at the end of the year		122,623	168,161

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 2021**

	Note	2021 \$	2020 \$
<b>Note 9 – Provisions</b>			
<u>Current</u>			
Employee Entitlements		289,553	267,349
		289,553	267,349
<u>Non-Current</u>			
Employee Entitlements		49,885	94,359
		49,885	94,359

**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

63,381                      70,978

Total Reserves

210,881                      218,478

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

Note	2021 \$	2020 \$
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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*, above award rates.

Transactions during the year	<u>138,207</u>	<u>130,299</u>
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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	<u>463,754</u>	<u>401,675</u>
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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 2021**

	Note	2021 \$	2020 \$
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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	2,355,717	1,791,999
Trade & Other Receivables	5	206,987	220,141
Total Financial Assets		2,562,704	2,012,140

**Financial Liabilities**

Trade & Other Payables	8(a)	377,462	327,297
Total Financial Liabilities		377,462	327,297

**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
3	4
0	0
4	5

b) Punchbowl Premises

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

0	0
0	0
0	0

c) Thurlow Street Premises

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

240	479
0	240
240	719

**Riverwood Community Centre Ltd**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Note 15 – Fundraising and Donations Income and Expenses</b>			
a) <u>Details of Aggregate Gross Income</u>			
Gross Proceeds from Fundraising and Donations		0	8,568
Less: Cost of Fundraising and Donations		0	(834)
Net Surplus from Fundraising		0	7,734

b) Application of Funds for Charitable Purposes

During the year, the Company achieved a net surplus of \$0 (2020: \$7,734) 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 2021.

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

- The Riverwood Community Fair was postponed due to the COVID-19 pandemic.
- The Canterbury Bankstown Harmony Day ceremony was postponed due to the COVID-19 pandemic.

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

	Proceeds \$	Costs \$	Surplus \$	2021 %	2020 %
Surplus of all fundraising / Gross proceeds from all fundraising	5,266	0	5,266	100.0	96.7

**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 2021**

Note	2021 \$	2020 \$
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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 2021**

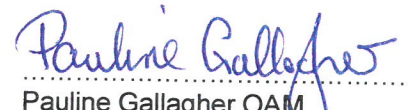
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The Responsible Persons declare that, in the responsible persons' opinion:

1. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Not-for-profits Commission Regulation 2013*, and;
  - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements, and
  - (b) give a true and fair view of the financial position as at 30 June 2021 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 OAM  
Chairperson

  
.....  
Pauline Gallagher OAM  
Treasurer

Dated 4TH NOVEMBER 2021

Page 27

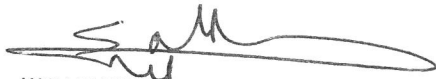
**Riverwood Community Centre Ltd**  
**Chairperson's Declaration under the Charitable Fundraising Act**  
**For the Year Ended 30 June 2021**

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

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

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



.....  
Karl Saleh OAM  
Chairperson

Dated 4TH NOVEMBER 2021

**Riverwood Community Centre Ltd  
Independent Audit Report to the Members of  
Riverwood Community Centre Ltd  
For the Year Ended 30 June 2021**

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**Audit Opinion**

We have audited the financial report of Riverwood Community Centre Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2021, 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 2021 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 2021, 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 2021**

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

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

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

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

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

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

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

**Riverwood Community Centre Ltd  
Independent Audit Report to the Members of  
Riverwood Community Centre Ltd  
For the Year Ended 30 June 2021**

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

Garcia Group Advisors  
Chartered Accountants



Michael Garcia  
Principal

Registered Company Auditor: 435105

OATLEY NSW 2223

Dated 8<sup>th</sup> November 2021