

Riverwood Community Centre Limited

ABN 20 715 425 848

Financial Statements

For the Year Ended 30 June 2023

Riverwood Community Centre Limited

ABN 20 715 425 848

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Riverwood Community Centre Limited

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Directors' Report For the Year Ended 30 June 2023

The directors present their report on Riverwood Community Centre Limited for the financial year ended 30 June 2023.

1. General information

Directors

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

Name of the Member	Comment	Term elected	Term end date
Zorka Petrovska	Re elected 2021	3 years	2024
Kevin Mooney	Re elected 2021	3 years	2024
Bhadra Waiba	Re elected 2021	3 years	2024
Pauline Gallagher	Re elected 2022	3 years	2025
Karl Saleh	Re elected 2022	3 years	Resigned August 2023
Tony Moubarak	Re elected 2022	3 years	2025
Lyn Lormer	Co opted Board member. Elected May 2023	Replacing Karl Salah	
Avishkar Jayrajh	Co opted Board member. Elected June 2023	Replacing Rob Furolo	
Youcef Kabbara			Resigned 25 January 2022
Robert Furolo			Resigned 31 May 2023
Ian Lilley			Finished term 07 November 2022
Xiaodi (Tommy) Pan			Finished term 14 November 2022
Wadaha Hussein			Finished term 14 November 2022

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

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Karl Saleh OAM	Chairperson since 2017, Board member since 2015 Resigned June 2023 - Former Deputy Mayor of Canterbury City Council - Member of the Order of Australia OAM - Founder and President of Canterbury Bankstown Harmony Group - Over 25 years of experience in media and journalism - Advanced diploma in Governance for Not-for-profit (NFP) organisations.
Pauline Gallagher OAM	Board member since 2016 - Treasurer - Former CEO of Riverwood Community Care - Member of the Order of Australia OAM - Bachelor of Social Science
Zorka Petrovska	Board member since 2018 - Community volunteer and long-term resident of Riverwood

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Directors' Report For the Year Ended 30 June 2023

1. General information

Information on directors

Youcef Kabbara	Board member since 2020 Resigned January 2022 - Risk and security management professional - Volunteer and Director with Canterbury & Districts Soccer Football Association
Robert Furolo	Board member since 2020 Resigned May 2023 - Former State Member for Lakemba and Mayor of Canterbury City Council - Founder and principal of a planning advisory and community engagement business, with an interest in social and affordable housing.
Ian Lilley	Board member since 2021 Finished term November 2022 - Masters of Business in Management - HR Director Australia and New Zealand Martin Brower Australia - 20 years experience strategic and innovative leader who achieves tangible improvements in profitability, growth and employee engagement.
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 Finished term November 2022 - Qualified Accountant living and working within Riverwood - Assistant Treasurer and member of the Finance Committee
Wadaha Hussein	Board member since 2020 Finished term November 2022 - Senior Behaviour Therapist with current professional experience obtained from clinical settings, ethical and WHS standards training - Former employee of RCC and Co-founder of the Sudanese Girls Youth Group in Riverwood.
Bhadra Waiba	Board member since 2022 - Councillor of Canterbury Bankstown City Council
Tony Moubarak	Board member since 2022
Lyn Lormer	Board member since November 2022
Avishkar Jayrajh	Board member since July 2023

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

Directors' Report

For the Year Ended 30 June 2023

1. General information

Principal activities

The principal activity of Riverwood Community Centre Limited during the financial year was providing resources and services responsive to the needs of the local community.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

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 objectives

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.

Strategy for achieving the objectives

To achieve these 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

Performance measures

The following measures are used within the Company to monitor performance:

- 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

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Directors' Report For the Year Ended 30 June 2023

1. General information

Members' guarantee

Riverwood Community Centre Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$ 3,350 (2022: \$ 3,350).

Operating results and review of operations for the year

Operating result

The surplus of the Company for the financial year amounted to \$ 395,630 (2022: \$ 740,146).

2. Other items

Significant changes in state of affairs

The spread of the novel coronavirus (COVID-19) was declared a global pandemic on 11 March 2020 by the World Health Organisation and is having a significant impact on both local and global communities and economies.

The Company has made an assessment of the COVID-19 pandemic impact on financial reporting and determined that the Company's revenues for the year and overall financial position as at 30 June 2023 have not been significantly impacted.

The Company has undertaken measures and precautions to ensure that it continues to operate and to protect staff and members as the COVID-19 pandemic continues to extend globally. Technology has facilitated effective communication whilst working from home, including video conferencing facilities. The Company also implemented a range of initiatives to protect staff and directors including travel restrictions, social distancing protocols and guidelines for visitors.

Except for the above, there have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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Directors' Report For the Year Ended 30 June 2023

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Karl Saleh OAM	10	9
Pauline Gallagher OAM	11	11
Zorka Petrovska	11	11
Youcef Kabbara	-	-
Robert Furolo	11	7
Ian Lilley	1	1
Kevin Mooney	9	7
Xiaodi (Tommy) Pan	-	-
Wadaha Hussein	-	-
Bhadra Waiba	11	5
Tony Moubarak	9	8
Lyn Lormer	6	3
Avishkar Jayrajh	-	-

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, for the year ended 30 June 2023 has been received and can be found on page 6 of the financial report.

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

Director: L. Lormer
Lyn Lormer

Director: Pauline Gallagher OAM
Pauline Gallagher OAM

Dated this NINTH day of OCTOBER 2023

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Riverwood Community Centre Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney 09/10/2023

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Riverwood Community Centre Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	2,966,310	2,500,437
Finance income		69,945	10,794
Other income	4	1,123,931	1,287,517
Employee benefits expense		(2,706,859)	(2,446,651)
Depreciation and amortisation expense		(193,099)	(77,012)
Other expenses	5	(864,598)	(534,939)
Surplus before income tax		395,630	740,146
Income tax expense	2.(b)	-	-
Surplus for the year		395,630	740,146
Other comprehensive income for the year, net of tax		-	-
Total comprehensive surplus for the year		395,630	740,146

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,160,066	2,878,587
Trade and other receivables	7	120,779	52,357
Other assets	9	256,325	227,706
TOTAL CURRENT ASSETS		3,537,170	3,158,650
NON-CURRENT ASSETS			
Property, plant and equipment	8	262,735	245,727
TOTAL NON-CURRENT ASSETS		262,735	245,727
TOTAL ASSETS		3,799,905	3,404,377
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	314,477	250,621
Employee benefits	12	221,071	192,252
Other financial liabilities	11	121,299	230,664
TOTAL CURRENT LIABILITIES		656,847	673,537
NON-CURRENT LIABILITIES			
Employee benefits	12	35,563	18,975
TOTAL NON-CURRENT LIABILITIES		35,563	18,975
TOTAL LIABILITIES		692,410	692,512
NET ASSETS		3,107,495	2,711,865
EQUITY			
Reserves	13	147,500	147,500
Retained surplus		2,959,995	2,564,365
TOTAL EQUITY		3,107,495	2,711,865

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Surplus \$	Reserves \$	Total \$
Balance at 1 July 2022	2,564,365	147,500	2,711,865
Surplus attributable to members	395,630	-	395,630
Balance at 30 June 2023	2,959,995	147,500	3,107,495

2022

	Retained Surplus \$	Reserves \$	Total \$
Balance at 1 July 2021	1,824,219	210,881	2,035,100
Surplus attributable to members	740,146	-	740,146
Transfers to/from reserves	-	(63,381)	(63,381)
Balance at 30 June 2022	2,564,365	147,500	2,711,865

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,876,733	3,742,381
Payments to suppliers and employees	(3,455,092)	(3,385,048)
Other government subsidies	-	238,106
Interest received	69,945	10,794
Net cash provided by operating activities	21 491,586	606,233
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(210,107)	(83,363)
Net cash used in investing activities	(210,107)	(83,363)
Net increase in cash and cash equivalents held	281,479	522,870
Cash and cash equivalents at beginning of year	2,878,587	2,355,717
Cash and cash equivalents at end of financial year	6 3,160,066	2,878,587

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Riverwood Community Centre Limited as an individual entity. Riverwood Community Centre Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia. The Company is registered with the *Australian Charities and not-for-profits Commission Act 2012*.

The functional and presentation currency of Riverwood Community Centre Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards - Simplified Disclosure Requirements of the Australian Accounting Standards Board (AASB).

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

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The income recognition requirements under AASB 1058 shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition.

The entity recognises revenue from the following major sources is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

The entity recognises revenue from the following major sources

- Government grants
- Donations

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Grant revenue

The Company has analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Donations

Based on an analysis of the Association's underlying arrangements for donations as at 30 June 2021 on the basis of the facts and circumstances that exist at that date, the organisation has assessed that the impact of the income requirements will not have a significant impact on the amounts recognised in the Organisation's financial statements as majority of the donations do not meet the 'enforceability' and the 'sufficiently specific' criteria under AASB 15 and would therefore be accounted as immediate income recognition under AASB 1058.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

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

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Motor Vehicles	7.5%-25%
Office Equipment	10%-50%
Leasehold improvements	2.5%-20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(k) Economic dependence

Riverwood Community Centre Limited is dependent on the government funding for the majority of its revenue used to operate the Company. At the date of this report the directors have no reason to believe the government funding will not continue to support Riverwood Community Centre Limited.

(l) Restricted and Unrestricted Funds

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

They comprise:

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

Unrestricted reserves are set aside for future capital expenditure of the Company and for the purpose specified by the Directors. 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.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(n) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classed as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(o) Comparative figures

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

(p) 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 22 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 in 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.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

Key estimates - performance obligations under AASB 15

To identify 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.

4 Revenue and Other Income

	2023	2022
	\$	\$
- Grants received	2,966,310	2,500,437
Other Income		
- cleaning and hire of premises	243,088	162,537
- project income	858,510	688,710
- sundry income	15,333	188,278
- donations	7,000	9,886
	1,123,931	1,049,411
Other Government subsidies		
- jobsaver	-	238,106
	1,123,931	1,287,517

5 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:		
Cleaning	122,668	50,375
Consulting and professional fees	176,700	47,923
IT Expenses	59,318	40,661
Motor vehicle expenses	45,734	30,675
Audit fees	17,727	39,480

6 Cash and Cash Equivalents

Cash at bank and in hand	3,160,066	2,878,587
--------------------------	------------------	-----------

7 Trade and Other Receivables

CURRENT		
Trade receivables	160,385	56,242
Provision for impairment	(39,606)	(3,885)
Total current trade and other receivables	120,779	52,357

Notes to the Financial Statements

For the Year Ended 30 June 2023

8 Property, plant and equipment

	2023 \$	2022 \$
Furniture, fixtures and fittings		
At cost	15,455	-
Accumulated depreciation	(15,455)	-
Total furniture, fixtures and fittings	-	-
Motor vehicles		
At cost	409,188	259,681
Accumulated depreciation	(255,156)	(237,036)
Total motor vehicles	154,032	22,645
Office equipment		
At cost	292,099	246,953
Accumulated depreciation	(240,391)	(124,390)
Total office equipment	51,708	122,563
Leasehold Improvements		
At cost	325,654	325,654
Accumulated depreciation	(268,659)	(225,135)
Total leasehold improvements	56,995	100,519
Total property, plant and equipment	262,735	245,727

(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:

	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2023					
Balance at the beginning of year	-	22,645	122,563	100,519	245,727
Additions	15,455	149,507	45,145	-	210,107
Depreciation expense	(15,455)	(18,120)	(116,000)	(43,524)	(193,099)
Balance at the end of the year	-	154,032	51,708	56,995	262,735

Riverwood Community Centre Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

9 Other assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	51,963	169,590
Accrued income	204,362	58,116
	<u>256,325</u>	<u>227,706</u>

10 Trade and Other Payables

CURRENT		
Trade payables	164,407	81,528
Deposits	240	240
GST payable	67,494	12,105
Sundry payables and accrued expenses	81,140	156,364
Other payables	1,196	384
	<u>314,477</u>	<u>250,621</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Other Financial Liabilities

CURRENT		
Amounts received in advance	121,299	230,664

12 Employee Benefits

CURRENT		
Long service leave	72,602	61,127
Provision for employee benefits	148,469	131,125
	<u>221,071</u>	<u>192,252</u>
NON-CURRENT		
Long service leave	35,563	18,975

13 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 reserves are set aside for capital expenditure of the Company and for the purpose specified by the Directors. These amounts can be returned to retained earnings at any time:

Riverwood Community Centre Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

13 Reserves

Reserves have been set aside for the following purposes:

	2023	2022
	\$	\$
Bus Replacement Reserve	35,000	35,000
Marketing, Growth and Development Reserve - Unrestricted	25,000	25,000
IT Upgrade & Security Reserve - Unrestricted	57,000	57,500
Refurbish Premises Reserve - Unrestricted	30,000	30,000
Total	147,000	147,500

14 Operating Lease Commitments

Riverwood Premises

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

	1	1
	3	3
	4	4

15 Financial Risk Management

Financial assets

Cash and cash equivalents	3,160,066	2,878,587
Trade and other receivables	120,779	52,357

Total financial assets

3,280,845	2,930,944
-----------	-----------

Financial liabilities

Trade and other payables	314,477	250,621
--------------------------	---------	---------

Total financial liabilities

314,477	250,621
---------	---------

16 Members' Guarantee

The Company is incorporated under the *Australian Charities and not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 335 (2022: 335).

17 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 135,625 (2022: \$ 495,501).

18 Auditors' Remuneration

Remuneration of the auditor DFK
Laurence Varnay Auditors Pty Ltd,
for:

- auditing the financial statements	15,500	15,500
-------------------------------------	--------	--------

Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

20 Related Parties

(a) The Company's main related parties are as follows:

The directors are not entitled to and did not receive any benefits during the year. There were no loans in existence during the year or at balance sheet date that were made, guaranteed or secured by the Company to the directors, 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.

Key management personnel - refer to Note 17.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

a) The Child Youth & Family Support Manager is the spouse of 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 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.

	2023	2022
	\$	\$
Transactions during the year	-	197,023

Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Surplus for the year	395,630	740,146
Non-cash flows in surplus:		
- depreciation	193,099	77,012
- doubtful debts expense	35,721	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(104,143)	132,201
- decrease/(increase) in prepayments	117,627	(106,859)
- (increase) in accrued income	(146,246)	(35,686)
- (decrease)/increase in income in advance	(109,365)	60,333
- increase/(decrease) in trade and other payables	63,856	(132,701)
- increase/(decrease) in employee benefits	45,407	(128,213)
Cashflows from operations	491,586	606,233

22 Information Required under The Charitable Fundraising Act 1991 (NSW)

(a) Fundraising Income & Expenses

Gross Proceeds from Fundraising and Donations	-	-
Less: cost of Fundraising and Donations	-	-
Net Surplus from Fundraising	-	-

(b) Application of Funds for Charitable Purposes

During the year, the Company achieved a net surplus of \$0 (2022: \$0) from fundraising and donation activities 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 2023.

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

- No fundraising activities conducted during the year.

Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2023

22 Information Required under The Charitable Fundraising Act 1991 (NSW)

(e) Gross Comparisons including fundraising not covered by the Charitable Fundraising Act

Includes unsolicited and member's donations and bequests

	Proceeds	Costs	Surplus	2022	2021
	\$	\$	\$	%	%
Surplus of all fundraising / Gross proceeds from all fundraising	7,000	-	7,000	100	100

23 Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

24 Statutory Information

The registered office and principal place of business of the company is:

Riverwood Community Centre Limited
151 Belmore Road North
Riverwood NSW 2210

Riverwood Community Centre Limited

ABN 20 715 425 848

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director L. Lormer
Lyn Lormer

Director Pauline Gallagher OAM
Pauline Gallagher OAM

Dated this NINTH day of OCTOBER 2023

Riverwood Community Centre Limited

Independent Audit Report to the members of Riverwood Community Centre Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Riverwood Community Centre Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Australian Charities and Not-for-Profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Local knowledge. National connections. Global reach.



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DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595

Riverwood Community Centre Limited

Independent Audit Report to the members of Riverwood Community Centre Limited

Emphasis of Matter

We draw your attention to Note 2 to the financial report which describes the revenue recognition policy of the Riverwood Community Centre Limited 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 portion of the Company's revenue. Our opinion is unmodified in respect to this matter.

Responsibilities of Directors for the Financial Report

The directors 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 - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors 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 directors 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 directors either intend to liquidate the Company 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 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 the financial report.

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

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ABN 75 648 004 595

Riverwood Community Centre Limited

Independent Audit Report to the members of Riverwood Community Centre Limited

- 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 directors.
- Conclude on the appropriateness of the directors' 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 auditor'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.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney, 09/10/2023

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ABN 75 648 004 595

Disclaimer

For the Year Ended 30 June 2023

The additional financial data presented on page 31-32 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Riverwood Community Centre Limited) in respect of such data, including any errors or omissions therein however caused.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

09/10/2023

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DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595

Riverwood Community Centre Limited

ABN 20 715 425 848

For the Year Ended 30 June 2023

Profit and Loss Account

	2023	2022
	\$	\$
Income		
Cleaning and hire of premises	243,088	162,537
Interest income	69,945	10,794
Grants	2,966,310	2,738,543
Donations	7,000	9,886
Project income	858,510	688,710
Other income	15,333	188,278
Total income	4,160,186	3,798,748
Less: Expenses		
Accounting fees	-	24,750
Advertising	5,180	-
Auditors remuneration	17,727	41,045
Bad debts	35,721	187
Bank charges	2,263	2,135
Cleaning	122,668	50,375
Consulting and professional fees	176,700	47,923
Consumables	102,880	68,780
Depreciation	193,099	77,012
Electricity and water	1,244	1,566
Minor equipment purchases	4,995	1,959
Hire	925	(1,118)
Insurance	29,099	28,855
IT Expenses	59,318	40,661
Long service leave	108,165	477
Magazines, journals and periodicals	-	3,400
Medical supplies	3,519	759
Motor vehicle expenses	45,734	30,675
Other employee costs	201,390	150,057
Office equipment	1,900	5,513
Postage	626	940
Printing and stationery	20,909	21,340
Program materials and equipment	43,977	32,634
Rental outgoings	43,677	40,735
Repairs and maintenance	9,967	5,640
Salaries	2,128,647	2,037,760
Security costs	-	3,738
Software expenses	190	-
Staff amenities	99	18
Subscriptions	12,705	14,405
Sundry expenses	6,485	394
Superannuation contributions	235,325	199,135
Telephone and fax	24,570	27,587
Translating and mentoring	1,163	906
Travel	6,942	3,779
Uniforms	4,021	10,591
Waste disposal	6,849	1,220

Riverwood Community Centre Limited

ABN 20 715 425 848

For the Year Ended 30 June 2023

Profit and Loss Account

	2023	2022
	\$	\$
Workers compensation insurance	33,332	59,222
Workshop expenses	72,545	23,547
Total Expenses	3,764,556	3,058,602
Surplus before income tax	395,630	740,146