

Riverwood Community Centre Limited

ABN 20 715 425 848

Financial Statements

For the Year Ended 30 June 2024

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 2024

The directors present their report on Riverwood Community Centre Limited for the financial year ended 30 June 2024.

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 Member	Comment	Term Elected	Term end date
Karl Saleh	Re-elected March 2024	3 years	2027
Lyn Lormer	Resigned March 2024		27-Mar-24
Avishkar Jayrajh	Resigned March 2024		27-Mar-24
Zorka Petrovska	Re-elected 2021	3 years	2024
Kevin Mooney	Re-elected 2021	3 years	2024
Bhadra Waiba	Re-elected 2021	3 years	2024
Tony Moubarak	Re-elected 2022	3 years	2025
Pauline Gallagher	Re-elected 2022	3 years	2025

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

Appointed as Board Member from March 2024

- Former Chairperson of Riverwood Community Centre Limited
- 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

- 20 years experience strategic and innovative leader who achieves tangible improvements in profitability, growth and employee engagement.

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Directors' Report For the Year Ended 30 June 2024

1. General information (cont'd)

Information on directors (cont'd)

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
Bhadra Waiba	Board member since 2022 - Councillor of Canterbury Bankstown City Council
Tony Moubarak Lyn Lormer	Board member since 2022 Chairperson since June 2023, Board member since November 2022; Resigned in March 2024
Avishkar Jayrajh	Board member since July 2023 Resigned March 2024

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

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Directors' Report For the Year Ended 30 June 2024

1. General information (cont'd)

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

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 2024 the collective liability of members was \$ 3,040 (2023: \$ 3,350).

Operating results and review of operations for the year

Operating result

The surplus of the Company for the financial year amounted to \$ 409,339 (2023: \$ 395,630).

2. Other items

Significant changes in state of affairs

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 2024

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	4	4
Pauline Gallagher OAM	11	11
Zorka Petrovska	11	11
Kevin Mooney	11	8
Bhadra Waiba	10	4
Tony Moubarak	11	9
Lyn Lormer	7	7
Avishkar Jayrajh	6	6

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 2024 has been received and can be found on page 5 of the financial report.

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

Director: 
Pauline Gallagher OAM

Director: 
Kevin Mooney

Dated this 30 day of October 2024

Riverwood Community Centre Limited

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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 2024, 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

30 October 2024

Sydney

Riverwood Community Centre Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	3,367,899	2,966,310
Finance income		149,260	69,945
Other income	4	1,081,719	1,123,931
Employee benefits expense		(3,161,369)	(2,706,859)
Depreciation and amortisation expense		(156,731)	(193,099)
Other expenses	5	(862,688)	(864,598)
Finance expenses		(8,751)	-
Surplus before income tax		409,339	395,630
Income tax expense	2.(b)	-	-
Surplus for the year		409,339	395,630
Other comprehensive income for the year, net of tax		-	-
Total comprehensive surplus for the year		409,339	395,630

The accompanying notes form part of these financial statements.

Riverwood Community Centre Limited

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Statement of Financial Position As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,712,148	3,160,066
Trade and other receivables	7	114,202	120,779
Other assets	9	330,655	256,325
TOTAL CURRENT ASSETS		<u>4,157,005</u>	<u>3,537,170</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	231,097	262,735
TOTAL NON-CURRENT ASSETS		<u>231,097</u>	<u>262,735</u>
TOTAL ASSETS		<u><u>4,388,102</u></u>	<u><u>3,799,905</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	274,356	314,477
Borrowings	11	50,440	-
Employee benefits	13	292,027	221,071
Other financial liabilities	12	146,447	121,299
TOTAL CURRENT LIABILITIES		<u>763,270</u>	<u>656,847</u>
NON-CURRENT LIABILITIES			
Borrowings	11	48,407	-
Employee benefits	13	59,591	35,563
TOTAL NON-CURRENT LIABILITIES		<u>107,998</u>	<u>35,563</u>
TOTAL LIABILITIES		<u>871,268</u>	<u>692,410</u>
NET ASSETS		<u><u>3,516,834</u></u>	<u><u>3,107,495</u></u>
EQUITY			
Reserves	14	147,500	147,500
Retained surplus		3,369,334	2,959,995
TOTAL EQUITY		<u><u>3,516,834</u></u>	<u><u>3,107,495</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Retained Surplus \$	Reserves \$	Total \$
Balance at 1 July 2023	2,959,995	147,500	3,107,495
Surplus attributable to members	409,339	-	409,339
Balance at 30 June 2024	3,369,334	147,500	3,516,834

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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,471,082	3,876,733
Payments to suppliers and employees	(4,079,244)	(3,455,092)
Interest received	149,260	69,945
Interest paid	(8,751)	-
Net cash provided by operating activities	22 <u>532,347</u>	<u>491,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	60,681	-
Purchase of property, plant and equipment	(139,793)	(210,107)
Net cash used in investing activities	<u>(79,112)</u>	<u>(210,107)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	98,847	-
Net cash provided by financing activities	<u>98,847</u>	<u>-</u>
Net increase in cash and cash equivalents held	552,082	281,479
Cash and cash equivalents at beginning of year	3,160,066	2,878,587
Cash and cash equivalents at end of financial year	6 <u><u>3,712,148</u></u>	<u><u>3,160,066</u></u>

The accompanying notes form part of these financial statements.

Riverwood Community Centre Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

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 have been prepared on a going concern assumption and prepared on an accrual basis of accounting including the historical cost convention, except for, where applicable, by the measurement of 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 Material 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 2024

2 Summary of Material Accounting Policies (cont'd)

(a) Revenue and other income (cont'd)

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 2024 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 2024

2 Summary of Material Accounting Policies (cont'd)

(e) Property, plant and equipment (cont'd)

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 2024

2 Summary of Material Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

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 2024

2 Summary of Material Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

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 2024

2 Summary of Material Accounting Policies (cont'd)

(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 2024

2 Summary of Material Accounting Policies (cont'd)

(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 2024, 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 2024

2 Summary of Material Accounting Policies (cont'd)

(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 23 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 been 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.

Riverwood Community Centre Limited

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Notes to the Financial Statements For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgments (cont'd)

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

	2024	2023
	\$	\$
- Grants received	<u>3,367,899</u>	<u>2,966,310</u>
Other Income		
- cleaning and hire of premises	252,345	243,088
- project income	779,713	858,510
- sundry income	2,122	15,333
- donations	1,557	7,000
- net gain on disposal of property, plant and equipment	<u>45,982</u>	-
	<u>1,081,719</u>	<u>1,123,931</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Cleaning	122,680	122,668
Consulting and professional fees	66,723	176,700
IT Expenses	74,408	59,318
Motor vehicle expenses	48,598	45,734
Audit fees	16,616	17,727

6 Cash and Cash Equivalents

Cash at bank and in hand	1,912,148	3,160,066
Short-term deposits	<u>1,800,000</u>	-
	<u>3,712,148</u>	<u>3,160,066</u>

7 Trade and Other Receivables

CURRENT

Trade receivables	118,087	160,385
Provision for impairment	<u>(3,885)</u>	<u>(39,606)</u>

Total current trade and other receivables

<u>114,202</u>	<u>120,779</u>
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Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2024

8 Property, plant and equipment

	2024	2023
	\$	\$
Furniture, fixtures and fittings		
At cost	15,455	15,455
Accumulated depreciation	(15,455)	(15,455)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Motor vehicles		
At cost	330,274	409,188
Accumulated depreciation	(133,842)	(255,156)
Total motor vehicles	<u>196,432</u>	<u>154,032</u>
Office equipment		
At cost	292,099	292,099
Accumulated depreciation	(272,509)	(240,391)
Total office equipment	<u>19,590</u>	<u>51,708</u>
Leasehold Improvements		
At cost	325,654	325,654
Accumulated depreciation	(310,579)	(268,659)
Total leasehold improvements	<u>15,075</u>	<u>56,995</u>
Total property, plant and equipment	<u><u>231,097</u></u>	<u><u>262,735</u></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:

	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2024					
Balance at the beginning of year	-	154,032	51,708	56,995	262,735
Additions	-	139,793	-	-	139,793
Disposals - written down value	-	(14,700)	-	-	(14,700)
Depreciation expense	-	(82,693)	(32,118)	(41,920)	(156,731)
Balance at the end of the year	<u>-</u>	<u>196,432</u>	<u>19,590</u>	<u>15,075</u>	<u>231,097</u>

Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2024

9 Other assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	43,743	51,963
Accrued income	286,912	204,362
	<u>330,655</u>	<u>256,325</u>

10 Trade and Other Payables

CURRENT		
Trade payables	160,386	164,407
Deposits	240	240
GST payable	7,078	67,494
Employee benefits	34,005	-
Sundry payables and accrued expenses	72,263	81,140
Other payables	384	1,196
	<u>274,356</u>	<u>314,477</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 Borrowings

CURRENT		
Secured liabilities:		
Lease liability secured	15	<u>50,440</u> -
NON-CURRENT		
Secured liabilities:		
Lease liability secured	15	<u>48,407</u> -

12 Other Financial Liabilities

CURRENT		
Amounts received in advance	<u>146,447</u>	121,299

13 Employee Benefits

CURRENT		
Long service leave	75,491	72,602
Provision for employee benefits	216,536	148,469
	<u>292,027</u>	<u>221,071</u>
NON-CURRENT		
Long service leave	<u>59,591</u>	<u>35,563</u>

Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2024

14 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:

Reserves have been set aside for the following purposes:

	2024	2023
	\$	\$
Bus Replacement Reserve	35,000	35,000
Marketing, Growth and Development Reserve - Unrestricted	25,000	25,000
IT Upgrade & Security Reserve - Unrestricted	57,000	57,000
Refurbish Premises Reserve - Unrestricted	30,000	30,000
Total	147,000	147,000

15 Capital and Leasing Commitments

Operating Lease - Riverwood Premises

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

1	1
3	3
4	4

Finance Lease - Motor Vehicle

not later than 12 months
between 12 months and 5 years

50,440	-
48,407	-

Less: finance charges

98,847	-
(11,864)	-
86,983	-

Finance leases are in place for motor vehicles and normally have a term between 1 and 3 years. Finance lease payments are reduced against the liability when paid. Interest payments are expensed as and when the lease payments are made.

16 Financial Risk Management

Financial assets

Cash and cash equivalents
Trade and other receivables

3,712,148	3,160,066
114,202	120,779

Total financial assets

3,826,350	3,280,845
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Financial liabilities

Trade and other payables

274,356	314,477
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Total financial liabilities

274,356	314,477
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Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2024

17 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 2024 the number of members was 304 (2023: 335).

18 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 156,715 (2023: \$ 135,625).

19 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor DFK Laurence Varnay Auditors Pty Ltd, for:		
- auditing the financial statements	<u>15,500</u>	<u>15,500</u>

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

21 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 18.

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.

Riverwood Community Centre Limited

ABN 20 715 425 848

Notes to the Financial Statements For the Year Ended 30 June 2024

22 Cash Flow Information

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

	2024	2023
	\$	\$
Surplus for the year	409,339	395,630
Non-cash flows in surplus:		
- depreciation	156,731	193,099
- net gain on disposal of property, plant and equipment	(45,981)	-
- provision for doubtful debts	(35,721)	35,721
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	42,298	(104,143)
- decrease in prepayments	8,220	117,627
- (increase) in accrued income	(82,550)	(146,246)
- increase/(decrease) in income in advance	25,148	(109,365)
- (decrease)/increase in trade and other payables	(40,121)	63,856
- increase in employee benefits	94,984	45,407
Cashflows from operations	<u>532,347</u>	<u>491,586</u>

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

(a) Fundraising Income & Expenses

	2024	2023
	\$	\$
Gross Proceeds from Fundraising and Donations	-	-
Less: Cost of Fundraising and Donations	-	-
Net Surplus from Fundraising	<u>-</u>	<u>-</u>

(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 2024.

(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 2024

23 Information Required under The Charitable Fundraising Act 1991 (NSW) (cont'd)

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

Includes unsolicited and member's donations and bequests

	Proceeds	Costs	Surplus	2024	2023
	\$	\$	\$	%	%
Surplus of all fundraising / Gross proceeds from all fundraising	1,557	-	1,557	100	100

24 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.

25 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 6 to 24, 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 2024 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 *Pauline Gallagher OAM*
Pauline Gallagher OAM

Director *Kevin Mooney*
Kevin Mooney

Dated this *30th* day of *October* 2024

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 2024, 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 2024 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.

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.
- 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.

Riverwood Community Centre Limited

Independent Audit Report to the members of Riverwood Community Centre Limited

- 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
30 October 2024

Local knowledge. National connections. Global reach.



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Riverwood Community Centre Limited

ABN 20 715 425 848

Disclaimer

For the Year Ended 30 June 2024

The additional financial data presented on page 30-31 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 2024. 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



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Faizal Ajmat
Director

30 October 2024

Riverwood Community Centre Limited

ABN 20 715 425 848

For the Year Ended 30 June 2024

Profit and Loss Account

	2024	2023
	\$	\$
Income		
Cleaning and hire of premises	252,345	243,088
Interest income	149,260	69,945
Grants	3,367,899	2,966,310
Donations	1,557	7,000
Project income	779,713	858,510
Other income	2,122	15,333
Total income	4,552,896	4,160,186
Less: Expenses		
Advertising	100	5,180
Auditors remuneration	49,630	17,727
Bad debts	(35,721)	35,721
Bank charges	2,009	2,263
Cleaning	122,680	122,668
Consulting and professional fees	66,723	176,700
Consumables	69,451	102,880
Depreciation	156,731	193,099
Donations	1,186	-
Electricity and water	1,725	1,244
Minor equipment purchases	5,187	4,995
Finance costs	8,751	-
Hire	4,802	925
Insurance	34,914	29,099
IT Expenses	74,408	59,318
Long service leave	26,917	108,165
Medical supplies	2,115	3,519
Motor vehicle expenses	48,598	45,734
Other employee costs	100,260	201,390
Office equipment	2,489	1,900
Postage	774	626
Printing and stationery	29,923	20,909
Program materials and equipment	37,161	43,977
Rental outgoings	61,374	43,677
Repairs and maintenance	116,792	9,967
Salaries	2,698,752	2,128,647
Security costs	830	-
Software expenses	1,301	190
Staff amenities	88	99
Subscriptions	11,650	12,705
Sundry expenses	6,757	6,485
Superannuation contributions	284,929	235,325
Telephone and fax	25,723	24,570
Translating and mentoring	202	1,163
Travel	5,891	6,942
Uniforms	1,950	4,021
Waste disposal	4,728	6,849

Riverwood Community Centre Limited

ABN 20 715 425 848

For the Year Ended 30 June 2024

Profit and Loss Account

	2024	2023
	\$	\$
Workers compensation insurance	50,511	33,332
Workshop expenses	107,248	72,545
Total Expenses	4,189,539	3,764,556
Other items:		
Gain on disposal of assets	45,982	-
	45,982	-
Surplus before income tax	409,339	395,630