

Northern Rivers Social Development Council Ltd

ABN 77 398 196 862

Financial Statements

For the Year Ended 30 June 2019

Northern Rivers Social Development Council Ltd

ABN 77 398 196 862

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For the Year Ended 30 June 2019

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Thomas Noble & Russell
Accountants | Auditors | Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Northern Rivers Social Development Council Ltd for the year ended 30 June 2019.

Dated at Lismore this day 26th of September 2019.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

Per:

A J BRADFELD (Partner)
Registered Company Auditor

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Northern Rivers Social Development Council Ltd

ABN 77 398 196 862

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue and other income	5	42,877,493	39,661,527
Expenses from ordinary activities	6	(41,740,887)	(39,002,083)
Profit before income tax		1,136,606	659,444
Income tax expense		-	-
Profit for the year		1,136,606	659,444
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met			
Net fair value movements for available-for-sale financial assets	16	(1,331)	7,527
Other comprehensive income for the year, net of tax		(1,331)	7,527
Total comprehensive income for the year		1,135,275	666,971

The accompanying notes form part of these financial statements.

Northern Rivers Social Development Council Ltd

ABN 77 398 196 862

Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,974,953	7,810,544
Trade and other receivables	10	591,521	101,334
Financial assets	8	6,208,247	1,508,247
Other assets	11	251,932	192,708
TOTAL CURRENT ASSETS		9,026,653	9,612,833
NON-CURRENT ASSETS			
Financial assets	8	19,221	19,338
Property, plant and equipment	12	357,287	151,933
TOTAL NON-CURRENT ASSETS		376,508	171,271
TOTAL ASSETS		9,403,161	9,784,104
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	2,722,698	2,452,178
Employee benefits	14	1,077,209	856,571
Other financial liabilities	15	2,143,324	3,709,989
TOTAL CURRENT LIABILITIES		5,943,231	7,018,738
NON-CURRENT LIABILITIES			
Employee benefits	14	68,176	76,632
Other financial liabilities	15	-	432,255
TOTAL NON-CURRENT LIABILITIES		68,176	508,887
TOTAL LIABILITIES		6,011,407	7,527,625
NET ASSETS		3,391,754	2,256,479
EQUITY			
Reserves	16	6,196	7,527
Retained earnings	17	3,385,558	2,248,952
TOTAL EQUITY		3,391,754	2,256,479

The accompanying notes form part of these financial statements.

Northern Rivers Social Development Council Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2019

2019

		Retained Earnings	Fair Value Adjustment Assets- Available- For-Sale Reserve	Total
	Note	\$	\$	\$
Balance at 1 July 2018	16,17	2,248,952	7,527	2,256,479
Net profit/(loss) for the year	17	1,136,606	-	1,136,606
Fair value loss on available-for-sale financial assets	16	-	(1,331)	(1,331)
Balance at 30 June 2019	16,17	3,385,558	6,196	3,391,754

2018

		Retained Earnings	Fair Value Adjustment Assets- Available- For-Sale Reserve	Total
	Note	\$	\$	\$
Balance at 1 July 2017	16,17	1,589,508	-	1,589,508
Net profit/(loss) for the year	17	659,444	-	659,444
Fair value gains on available-for-sale financial assets	16	-	7,527	7,527
Balance at 30 June 2018	16,17	2,248,952	7,527	2,256,479

The accompanying notes form part of these financial statements.

Northern Rivers Social Development Council Ltd

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grant receipts in the course of operations	40,219,420	43,785,774
Cash payments in the course of operations	(41,284,796)	(41,206,983)
Interest received	159,442	151,030
Other operating receipts	-	2,325,772
Net cash provided by/(used in) operating activities	(905,934)	5,055,593
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	78,450	52,994
Proceeds from sale of held-for-trading investments	(1,214)	-
Purchase of property, plant and equipment	(306,893)	-
Purchase of financial assets	(4,700,000)	-
Net cash provided by/(used in) investing activities	(4,929,657)	52,994
Net increase/(decrease) in cash and cash equivalents held	(5,835,591)	5,108,587
Cash and cash equivalents at beginning of year	7,810,544	4,210,204
Cash and cash equivalents at end of financial year	1,974,953	9,318,791

7(a)

The accompanying notes form part of these financial statements.

Northern Rivers Social Development Council Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2019

The financial report covers Northern Rivers Social Development Council Ltd ("the Company") as an individual entity. Northern Rivers Social Development Council Ltd is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2019 were to provide services that promote inclusion, fairness and social justice in the community. The Company provides homelessness and housing supports, youth and family services, programs that promote genuine participation for people with disability, community sector support, professional development, and systemic advocacy.

The functional and presentation currency of Northern Rivers Social Development Council Ltd is Australian dollars.

The financial report was authorised for issue by those charged with governance on of September 2019.

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 Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets.

A debt investment shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition, in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Change in Accounting Policy (continued)

Financial Instruments - Adoption of AASB 9 (continued)

There has been no impact on the financial performance and position of the Company from the adoption of AASB 9 *Financial Instruments*.

3 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

Revenue 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 Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue is recognised when the business is entitled to it.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Northern Rivers Social Development Council Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Other income

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

(c) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies (continued)

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. 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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

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 assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	5% - 20%
Motor Vehicles	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.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of impairment for its 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

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies (continued)

(h) Impairment of non-financial assets (continued)
loss.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) 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 payables 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

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies (continued)

(k) Goods and services tax (GST) (continued)

arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2018. The adoption of these standards has had no impact on the reporting financial position, performance or cash flow of the Company. Refer to Note 2 for details on changes in accounting policies due to the adoption of AASB 9.

(m) Going concern / economic dependence

The company is reliant upon the continuity of grant funding to continue as a going concern. The majority of funding has signed agreements in place until June 2020 with some programs signed until 2021. The Company has no reason to believe continued funding support from various government agencies won't continue to occur.

4 Critical Accounting Estimates and Judgements

Those charged with governance 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

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.

5 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Government grants	39,145,847	37,385,256
Operating	546,587	686,763
Funding partners	2,362,892	1,271,730
Other income	822,167	317,778
Total revenue and other income	42,877,493	39,661,527

Northern Rivers Social Development Council Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Expenses from Ordinary Activities

	2019	2018
	\$	\$
Administration	1,304,003	1,173,085
Advertising & promotion	128,434	201,196
Brokerage	414,690	422,397
Consultants	959,184	663,343
Cost of sales - training/conferences	18,333	31,270
Depreciation & amortisation expense	78,463	98,922
Employee benefits expense	19,168,118	17,032,166
Equipment	87,614	401,101
IT support & maintenance	528,243	364,891
Motor vehicle expenses	533,407	667,441
Premises	1,171,241	1,238,373
Funding partners	16,715,076	16,093,237
Training & development	318,275	260,767
Telephone and fax	315,806	353,894
Total expenses	41,740,887	39,002,083

7 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	2,253	2,610
Cash at bank	1,672,700	7,807,934
Short-term deposits	300,000	-
Total cash and cash equivalents	1,974,953	7,810,544

7(a)

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	7	1,974,953	7,810,544
Balance as per statement of cash flows		1,974,953	7,810,544

8 Financial Assets

	2019	2018
	\$	\$
CURRENT		
Term deposits	6,208,247	1,508,247
Total current financial assets	6,208,247	1,508,247
NON-CURRENT		
Shares in listed entity (IAG)	19,221	19,338

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Notes to the Financial Statements For the Year Ended 30 June 2019

8 Financial Assets (continued)

Total non-current financial assets

	2019	2018
	19,221	19,338

9 Restricted cash and financial assets

	2019	2018
	\$	\$

Branch

Community, Families & Youth
Strategy & Engagement

79,813	-
8,444	-

10 Trade and Other Receivables

	2019	2018
	\$	\$

CURRENT

Trade receivables

161,788	42,380
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GST receivable

43,938	-
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Accrued income

385,795	58,954
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Total current trade and other receivables

591,521	101,334
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

11 Other Assets

	2019	2018
	\$	\$

CURRENT

Prepayments

134,940	74,577
---------	--------

Other

116,992	118,131
---------	---------

Total current other assets

251,932	192,708
---------	---------

12 Property, plant and equipment

	2019	2018
	\$	\$

WIP

At cost

32,816	-
--------	---

Total WIP

32,816	-
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Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Property, plant and equipment (continued)

Plant and equipment

At cost	9,410	9,410
Accumulated depreciation	(8,462)	(6,580)
Total plant and equipment	948	2,830

Motor vehicles

At cost	532,381	462,595
Accumulated depreciation	(208,858)	(313,492)
Total motor vehicles	323,523	149,103
Total property, plant and equipment	357,287	151,933

(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:

	WIP \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2019				
Balance at the beginning of the year	-	2,830	149,103	151,933
Additions	32,816	-	274,077	306,893
Disposals	-	-	(23,075)	(23,075)
Depreciation expense	-	(1,882)	(76,582)	(78,464)
Balance at the end of the year	32,816	948	323,523	357,287

13 Trade and Other Payables

	Note	2019 \$	2018 \$
CURRENT			
Trade payables		929,131	268,638
GST Payable		-	30,444
Sundry payables and accrued expenses		1,793,567	2,153,096
Total current trade and other payables		2,722,698	2,452,178

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

14 Employee Benefits

	2019 \$	2018 \$
CURRENT		
Long service leave	230,144	105,063
Annual leave	847,065	751,508
Total current employee benefits	1,077,209	856,571
NON-CURRENT		
Long service leave	68,176	76,632
Total non-current employee benefits	68,176	76,632

15 Other Liabilities

	2019 \$	2018 \$
CURRENT		
Grants received in advance	1,464,444	2,950,746
Grants received in advance - LAC	678,880	759,243
Total current other liabilities	2,143,324	3,709,989
NON-CURRENT		
Grants received in advance	-	432,255
Total non-current other liabilities	-	432,255

16 Reserves

	2019 \$	2018 \$
Fair value adjustment assets-available-for-sale reserve		
Opening balance	7,527	-
Fair value adjustment	(1,331)	7,527
Closing balance	6,196	7,527
Total reserves	6,196	7,527

17 Retained Earnings

	2019 \$	2018 \$
Retained earnings at the beginning of the financial year	2,248,952	1,589,508
Net profit/(loss) for the year	1,136,606	659,444
Retained earnings at end of the financial year	3,385,558	2,248,952

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Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, investment in listed securities, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
		\$	\$
Financial Assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	7	1,974,953	7,810,544
- Term deposits	8	6,208,247	1,508,247
- Trade and other receivables	10	591,521	101,334
Financial assets at fair value through other comprehensive income:			
- Other financial assets	8	19,221	19,338
Total financial assets		8,793,942	9,439,463
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	13	2,722,698	2,452,178
Total financial liabilities		2,722,698	2,452,178

19 Leasing Commitments

(a) Operating lease commitments - Office leases

Minimum lease payments:

- not later than one year	707,794	952,263
- between one year and five years	682,314	778,824
Total minimum lease payments	1,390,108	1,731,087

(b) Operating lease commitments - Motor vehicles

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	211,495	279,041
- between one year and five years	28,518	86,852
Total minimum lease payments	240,013	365,893

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Notes to the Financial Statements For the Year Ended 30 June 2019

20 Key Management Personnel Remuneration

The following Directors held office during the year in a voluntary capacity:

Patrick Grier (Chair)
Karen Hazan (Deputy Chair)
Leanne Coventry
Keith Sloan (Chair Finance Committee)
Orit Ben-Harush
Penny Cox
Margarita Escartin
Kirstie McClean

The Company Secretaries are:

Leanne Coventry
Michael Carter
Anita Mansfield

Total remuneration paid:

The total remuneration paid to key management personnel of the Company is \$1,141,630 (2018: \$919,647).

Other related party transactions:

From time to time, board members of the Company, or board member-related entities, may purchase/supply goods or services from/to the Company. These purchases/supplies are on the same terms and conditions as those entered into by other Company employees, customers or suppliers.

21 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

22 Events after the end of the Reporting Period

The financial report was authorised for issue on of September 2019 by those charged with governance.

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.

23 Statutory Information

The registered office and principal place of business of the Company is:
Northern Rivers Social Development Council Ltd
16 Keen Street
Lismore NSW 2480

Northern Rivers Social Development Council Ltd

ABN 77 398 196 862

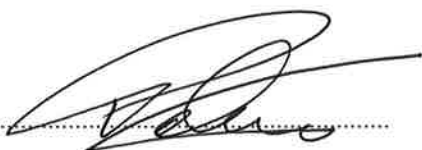
Directors' Declaration

The Directors declare that in their opinion;

- the financial statements and notes for the financial year ended 30 June 2019 comply with Australian Accounting Standards - Reduced Disclosure Requirement; and
- the financial statements and notes for the year ended 30 June 2019 give a true and fair view of the financial position and performance of the Company; and
- there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairperson



Director



Dated this 26th day of September 2019



Independent Auditor's Report to the Members of Northern Rivers Social Development Council Ltd

Opinion

We have audited the financial report of Northern Rivers Social Development Council Ltd ("the Entity") which comprises the statement of financial position as at 30 June 2019, 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 declaration by those charged with governance or other applicable assertion by management or those charged with governance.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of 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 Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

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

In preparing the financial report, management is responsible for assessing the Entity'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 management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 this 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Entity'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 Entity 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 those charged with governance 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 to those charged with governance 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, related safeguards.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

A J BRADFIELD (Partner)

Dated at Lismore this 21st day of September 2019