

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

Financial Statements

For the Year Ended 30 June 2021

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

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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 Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd) for the year ended 30 June 2021.

Dated at Lismore this 30th day of September 2021.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

Per:

.....
A J BRADFIELD (Partner)
Registered Company Auditor

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Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue and other income	4	35,778,418	42,271,606
Expenses from ordinary activities	5	(33,653,141)	(40,992,193)
Profit before income tax		2,125,277	1,279,413
Income tax expense		-	-
Profit for the year		2,125,277	1,279,413
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 financial assets at FVOCI		-	(5,956)
Other comprehensive income for the year, net of tax		-	(5,956)
Total comprehensive income for the year		2,125,277	1,273,457

The accompanying notes form part of these financial statements.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

Statement of Financial Position**As At 30 June 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,531,853	3,652,058
Trade and other receivables	9	125,348	327,366
Other financial assets	7	6,608,732	6,700,000
Other assets	10	520,936	293,752
TOTAL CURRENT ASSETS		10,786,869	10,973,176
NON-CURRENT ASSETS			
Other financial assets	7	114,594	124,628
Right-of-use assets	11	2,778,412	3,126,987
Property, plant and equipment	12	2,175,796	836,452
TOTAL NON-CURRENT ASSETS		5,068,802	4,088,067
TOTAL ASSETS		15,855,671	15,061,243
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	3,633,213	4,519,982
Employee benefits	14	1,295,253	1,234,321
Contract liabilities	15	772,972	1,088,765
Lease liabilities	11	1,055,862	1,057,635
TOTAL CURRENT LIABILITIES		6,757,300	7,900,703
NON-CURRENT LIABILITIES			
Employee benefits	14	522,872	399,478
Lease liabilities	11	1,785,011	2,095,851
TOTAL NON-CURRENT LIABILITIES		2,307,883	2,495,329
TOTAL LIABILITIES		9,065,183	10,396,032
NET ASSETS		6,790,488	4,665,211
EQUITY			
Reserves		-	240
Retained earnings	16	6,790,488	4,664,971
TOTAL EQUITY		6,790,488	4,665,211

The accompanying notes form part of these financial statements.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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**Statement of Changes in Equity
For the Year Ended 30 June 2021****2021**

		Retained Earnings	Fair Value Adjustment of Financial Assets at FVOCI Reserve	Total
	Note	\$	\$	\$
Balance at 1 July 2020	16	4,664,971	240	4,665,211
Net profit/(loss) for the year	16	2,125,277	-	2,125,277
Transfer from fair value adjustment of financial assets at FVOCI reserve	16	240	(240)	-
Balance at 30 June 2021	16	6,790,488	-	6,790,488

2020

		Retained Earnings	Fair Value Adjustment of Financial Assets at FVOCI Reserve	Total
	Note	\$	\$	\$
Balance at 1 July 2019	16	3,385,558	6,196	3,391,754
Net profit/(loss) for the year	16	1,279,413	-	1,279,413
Fair value loss on financial assets at FVOCI		-	(5,956)	(5,956)
Balance at 30 June 2020	16	4,664,971	240	4,665,211

The accompanying notes form part of these financial statements.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Statement of Cash Flows**For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		34,718,550	40,253,417
Payments to suppliers and employees		(33,141,351)	(37,393,605)
Interest received		87,082	183,902
Interest paid		(89,795)	(65,748)
Other operating receipts		830,699	993,533
Net cash provided by/(used in) operating activities		<u>2,405,185</u>	<u>3,971,499</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		178,655	42,726
Purchase of property, plant and equipment		(1,621,228)	(572,552)
Net redemption / (purchase) of financial assets		101,062	(603,116)
Net cash provided by/(used in) investing activities		<u>(1,341,511)</u>	<u>(1,132,942)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liability		(1,183,879)	(1,161,452)
Net cash provided by/(used in) financing activities		<u>(1,183,879)</u>	<u>(1,161,452)</u>
Net increase/(decrease) in cash and cash equivalents held		(120,205)	1,677,105
Cash and cash equivalents at beginning of year		3,652,058	1,974,953
Cash and cash equivalents at end of financial year	6(a)	<u>3,531,853</u>	<u>3,652,058</u>

The accompanying notes form part of these financial statements.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

The principal activities of the Company for the year ended 30 June 2021 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 the Company is Australian dollars.

The financial report was authorised for issue by those charged with governance on 30th of September 2021.

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 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 from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Other income

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

(c) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

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.

Lease liability

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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(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 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
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are 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

When determining whether the credit risk of a financial asset has increased significantly 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 has 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.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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) 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Employee benefits

Other long-term employee benefits

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

(l) Going concern / economic dependence

The Company is reliant upon the continuity of grant funding to continue as a going concern. There are signed funding agreements for majority of its grants in place until at least June 2021. The Company has no reason to believe continued funding support from various government agencies will not continue to occur.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2020. The adoption of these standards has had no impact on the reporting financial position, performance or cash flow of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Grants	34,764,840	41,062,882
Operating	461,148	489,119
Funding partners	-	58,779
Other income	552,430	660,826
Total revenue and other income	35,778,418	42,271,606

5 Expenses from Ordinary Activities

	2021	2020
	\$	\$
Administration	1,343,473	1,290,042
Advertising & promotion	118,985	183,324
Brokerage	496,035	612,725
Consultants	414,180	872,045
Cost of sales - training/conferences	1,474	-
Depreciation expense:		
- property, plant and equipment	139,840	81,949
- right-of-use assets	1,219,841	1,120,555
Employee benefits expense	25,526,232	21,089,823
Equipment	458,132	261,292
IT support & maintenance	823,456	1,012,349
Motor vehicle expenses	245,548	237,494
Premises	545,703	322,454
Funding partners	1,708,301	13,414,278
Training & development	229,613	151,295
Telephone and fax	382,328	342,568
Total expenses	33,653,141	40,992,193

6 Cash and Cash Equivalents

	2021	2020
Note	\$	\$
Cash on hand	1,611	2,330
Cash at bank	3,530,242	3,649,728
Total cash and cash equivalents	3,531,853	3,652,058

(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	6	3,531,853	3,652,058
Balance as per statement of cash flows		3,531,853	3,652,058

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Financial Assets

	2021 \$	2020 \$
CURRENT		
Term deposits	6,608,732	6,700,000
Total current financial assets	6,608,732	6,700,000
NON-CURRENT		
Shares in listed entity	12,668	13,969
Term deposits	101,926	110,658
Total non-current financial assets	114,594	124,627

8 Restricted Cash and Financial Assets

	2021 \$	2020 \$
Community, Families & Youth		
- Various	58,057	95,971
- Care Connect	234,636	-
- Rent Choice Youth	42,700	-
- Youth Support & headleasing	213,000	-
- headspace Lismore	170,085	-
- headspace Tweed Heads	56,761	-
- Youth Expansion Casino/ Kyogle	36,474	-
- Under 16 Stimulus funding	41,018	-
- Stronger Women	299,632	-
- Assertive Outreach	118,502	-
- Sustaining Tenancies	59,871	-
- Tenancy Set Up	64,140	-
- Youth on Track	44,789	-
Strategy & Engagement		
- Various	8,540	16,837
Total restricted cash and financial assets	1,448,205	112,808

The Company has recognised the above amounts as income in accordance with AASB 1058, however, service delivery in relation to this funding will be delivered during the 2021-22 year.

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	102,431	1,136
Accrued income	22,917	326,230
Total current trade and other receivables	125,348	327,366

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.

10 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	325,787	90,303
Other	116,773	136,053
Clearing account - property leases	78,376	67,396
Total current other assets	520,936	293,752

11 Leases

Right-of-use assets

	Buildings	Motor Vehicles	Total
	\$	\$	\$
Year ended 30 June 2021			
Balance at beginning of year	2,943,232	183,755	3,126,987
Additions to right-of-use assets	1,047,568	-	1,047,568
Remeasurement of right-of-use assets due to changes in lease liability	(118,460)	(57,842)	(176,302)
Depreciation expense	(1,093,928)	(125,913)	(1,219,841)
Balance at end of year	2,778,412	-	2,778,412
Year ended 30 June 2020			
Balance at beginning of year	-	-	-
Adjustment on adoption of AASB 16	2,057,922	435,402	2,493,324
Additions to right-of-use assets	1,754,218	-	1,754,218
Depreciation expense	(868,908)	(251,647)	(1,120,555)
Balance at end of year	2,943,232	183,755	3,126,987

Current and non-current lease liabilities totalling \$2,840,873 (2020: \$3,153,486) were included in the statement of financial position as at 30 June 2021.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Property, plant and equipment

	2021 \$	2020 \$
Land		
At cost	308,151	307,788
Total land	308,151	307,788
Buildings		
At cost	822,908	-
Total buildings	822,908	-
Capital works in progress		
At cost	427,510	38,445
Total capital works in progress	427,510	38,445
Plant and equipment		
At cost	22,709	32,119
Accumulated depreciation	(2,277)	(9,416)
Total plant and equipment	20,432	22,703
Motor vehicles		
At cost	901,826	667,472
Accumulated depreciation	(305,031)	(199,956)
Total motor vehicles	596,795	467,516
Total property, plant and equipment	2,175,796	836,452

(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:

	Capital Works in Progress \$	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 June 2021						
Balance at the beginning of the year	38,445	307,788	-	22,703	467,516	836,452
Additions	389,065	363	822,908	-	408,891	1,621,227
Disposals	-	-	-	-	(142,043)	(142,043)
Depreciation expense	-	-	-	(2,271)	(137,569)	(139,840)
Balance at the end of the year	427,510	308,151	822,908	20,432	596,795	2,175,796

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	1,290,453	1,176,681
GST payable	24,517	41,131
Sundry payables and accrued expenses	2,318,243	3,302,170
Total current trade and other payables	3,633,213	4,519,982

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.

14 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Long service leave	70,709	82,530
Annual leave	1,224,544	1,151,791
Total current employee benefits	1,295,253	1,234,321
NON-CURRENT		
Long service leave	522,872	399,478
Total non-current employee benefits	522,872	399,478

15 Contract Liabilities

	2021	2020
	\$	\$
CURRENT		
Grants received in advance	772,972	1,088,765
Total current contract liabilities	772,972	1,088,765

16 Retained Earnings

	2021	2020
	\$	\$
Retained earnings at the beginning of the financial year	4,664,971	3,385,558
Net profit/(loss) for the year	2,125,277	1,279,413
Transfer from fair value adjustment of financial assets at FVOCI reserve	240	-
Retained earnings at end of the financial year	6,790,488	4,664,971

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Notes to the Financial Statements

For the Year Ended 30 June 2021

17 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:

		2021	2020
		\$	\$
Financial Assets			
<i>Financial assets at amortised cost:</i>			
- Cash and cash equivalents	6	3,531,853	3,652,058
- Term deposits	7	6,608,732	6,700,000
- Trade and other receivables	9	125,348	327,366
<i>Financial assets at fair value through other comprehensive income:</i>			
- Other financial assets	7	114,594	124,627
Total financial assets		10,380,527	10,804,051
Financial Liabilities			
<i>Financial liabilities at amortised cost:</i>			
- Trade and other payables	13	3,633,213	4,519,982
- Lease liabilities	11	2,840,873	3,153,486
Total financial liabilities		6,474,086	7,673,468

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Key Management Personnel Remuneration

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

Patrick Grier (Chair)
Karen Hazan (Deputy Chair) (1/7/20 to 26/11/20)
Kirstie McClean (Deputy Chair from 26/11/20)
Keith Sloan (Chair Finance Committee)
Chris Leach (Chair Quality Risk & Compliance)
Leanne Coventry
Orit Ben-Harush
Penny Cox
Margarita Escartin
Trish Oxford

The Company Secretaries are:

Michael Carter
Tanya Miller

Total remuneration paid:

The total remuneration paid to key management personnel of the Company is \$1,242,135 (2020: \$1,324,901).

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.

19 Capital Commitments

	2021	2020
	\$	\$
Payable within 1 year	930,080	-

The Company has entered into a contract for the construction of a 12 unit property at Lismore.

20 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

21 Events after the end of the Reporting Period

The financial report was authorised for issue on 30th of September 2021 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.

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

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Notes to the Financial Statements

For the Year Ended 30 June 2021

22 Statutory Information

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

Social Futures Ltd (formerly known as Northern Rivers Social
Development Council Ltd)

16 Keen Street

Lismore NSW 2480

Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

ABN 77 398 196 862

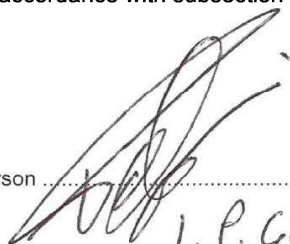
Directors' Declaration

The Directors declare that in their opinion:

- the financial statements and notes for the financial year ended 30 June 2021 comply with Australian Accounting Standards - Reduced Disclosure Requirement; and
- the financial statements and notes for the year ended 30 June 2021 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


I. P. GRIER

Director


Robert Henry Keith Sloan

Dated this 30th day of September 2021

Independent Auditor's Report to the Members of Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd)

Report on the audit of the financial report

Opinion

We have audited the financial report of Social Futures Ltd (formerly known as Northern Rivers Social Development Council Ltd) ("the Entity") which comprises the statement of financial position as at 30 June 2021, 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 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 2021 and of its financial performance 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 (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 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 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 30th day of September 2021