

***NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED***

30 JUNE 2013

Financial Statements

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
STATEMENT BY MEMBERS OF THE BOARD**

The Board has determined that Northern Rivers Social Development Council Incorporated is not a reporting entity, however is required to comply with the Associations Incorporation Act 2009.

The Board has determined that this financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

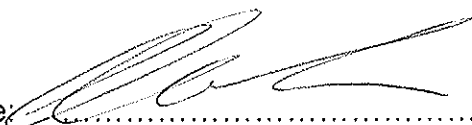
In the opinion of the Board:

1. The financial report presents fairly the financial position of Northern Rivers Social Development Council Incorporated as at 30 June 2013 and the results of the entity for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.
3. Amounts received as grant funding have been expended in accordance with the terms of the funding agreements.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Name: Paul Crickshank

Keith Sloan

Signature: 



Position: President

Treasurer

DATED AT LISMORE
DATE: 30 September 2013

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of Northern Rivers Social Development Council Incorporated, which comprises the Statement of Financial Position at 30 June 2013, the Statement Of Comprehensive Income, Cash Flow Statement and Statement of Changes In Equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the board.

REGISTERED
COMPANY
AUDITORS

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA

SI Trustum
BBus, CA

TL Kirkland
BBus, CA

Boards' responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (NSW). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Lismore Office
158 Mulgoworth Ct
PO Box 198
Lismore NSW 2480
T 02 6621 2581

Ballina Office
1/183 River St
PO Box 300
Ballina NSW 2470
T 02 6636 5065

F 02 6621 0740

e admin@wca-group.com.au
w www.wca-group.com.au

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED

REGISTERED
COMPANY
AUDITORS

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA

SI Trustum
BBus, CA

TL Kirkland
BBus, CA

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion


In our opinion, the financial report of Northern Rivers Social Development Council Incorporated is in accordance with the Associations Incorporation Act (NSW), including:

- giving a true and fair view of Northern Rivers Social Development Council Incorporated's financial position as at 30 June 2013 and of its performance for the year ended on that date, and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements.

158 MOLESWORTH STREET
LISMORE NSW 2480

DATE: 30 September 2013

WCA audit & assurance services Pty Ltd



Trevor W Graham
Director

Lismore Office
158 Molesworth St
PO Box 108
Lismore NSW 2480
t 02 6621 2581

Ballina Office
1183 Pym St
PO Box 306
Ballina NSW 2478
t 02 6666 8055

t 02 6621 9740

e info@wcaaudit.com.au
w www.wcaaudit.com.au

Northern Rivers Social Development Council Incorporated
Statement of Financial Position
As at 30 June 2013

	2013	2012
	\$	\$
<u>Assets</u>		
Current Assets		
Cash at Bank & On Hand		
Cash at Bank	816,590	1,087,209
Cash on Hand	2,490	2,890
	<u>819,080</u>	<u>1,090,099</u>
Trade Debtors	125,088	61,661
Other Assets	6,313	2,722
Stock	1,160	1,403
Total Current Assets	<u>951,641</u>	<u>1,155,885</u>
Non Current Assets		
Property, Plant & Equipment		
Plant & Equipment - At Cost	103,286	87,925
Accumulated Depreciation	<u>-46,793</u>	<u>-32,313</u>
	<u>56,493</u>	<u>55,612</u>
Motor Vehicles - At Cost	329,763	234,528
Accumulated Depreciation	<u>-62,033</u>	<u>-27,104</u>
	<u>267,730</u>	<u>207,424</u>
House @ 22 Cathcart Street - At Valuation 2005	0	300,000
House @ 22 Cathcart Street - At Valuation 2013	225,000	0
House Additions - At Cost	0	14,632
Accumulated Depreciation	<u>-2,195</u>	<u>-1,829</u>
	<u>222,805</u>	<u>312,803</u>
Total Non Current Assets	<u>547,028</u>	<u>575,839</u>
Total Assets	<u>1,498,669</u>	<u>1,731,724</u>
<u>Liabilities</u>		
Current Liabilities		
Trade Creditors	55,668	77,002
GST Payable	14,765	25,132
Provision for Annual Leave	138,506	121,583
Provision for Long Service Leave	92,634	72,562
Provision for Redundancy	46,991	0
Accrued Expenses	72,392	45,736
Grants In Advance	389,213	748,662
Total Current Liabilities	<u>810,169</u>	<u>1,090,677</u>
Non Current Liabilities		
Provision for Long Service Leave	<u>13,298</u>	<u>22,530</u>
Total Non Current Liabilities	<u>13,298</u>	<u>22,530</u>
Total Liabilities	<u>823,467</u>	<u>1,113,207</u>
<u>Net Assets</u>	<u>675,202</u>	<u>618,517</u>
<u>Members Equity</u>		
Retained Earnings		
Beginning of financial year	443,703	285,390
Surplus/(Deficit)	146,318	158,313
	<u>590,021</u>	<u>443,703</u>
Asset Revaluation Reserve	<u>85,181</u>	<u>174,814</u>
Total Members Equity	<u>675,202</u>	<u>618,517</u>

Northern Rivers Social Development Council Incorporated
Statement of Comprehensive Income
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue from ordinary activities	2	4,186,314	3,188,061
Expenses from ordinary activities excluding borrowing expenses	3	-4,039,996	-3,029,748
Borrowing expenses		<u>-</u>	<u>0</u>
Profit/(loss) from ordinary activities before income tax		146,318	158,313
Income tax attributable to operating activities		-	-
Profit/(loss) from ordinary activities after income tax		146,318	158,313
Net profit/(loss)		<u>146,318</u>	<u>158,313</u>
Other Comprehensive Income:			
Revaluation decrement Land & Building	4	-89,633	0
Total Comprehensive Income		<u>68,680</u>	<u>158,313</u>

To be read in conjunction with attached notes.

Northern Rivers Social Development Council Incorporated
Statement Of Changes In Equity
For the year ended 30 June 2013

	2013 \$	2012 \$
Total Retained Earnings at the beginning of the year	443,703	285,390
Net profit/(loss) for the financial year	146,318	158,313
Total Retained Earnings at the end of the financial year	<u>590,021</u>	<u>443,703</u>
Asset Revaluation Reserve opening	174,814	174,814
Less: Revaluation decrement	<u>-89,633</u>	<u>0</u>
Asset Revaluation Reserve closing	85,181	174,814
Total Equity at the end of the financial year	<u>675,202</u>	<u>618,517</u>

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL INCORPORATED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Receipts from operating activities	249,223	457,809
Receipts from grant funding	3,867,833	2,873,648
Payments to suppliers and employees	(4,321,708)	(2,912,669)
Interest received	44,229	46,205
Interest paid	-	-
Net cash provided by (used in) operating activities	<u>(160,423)</u>	<u>464,993</u>
Cash flows From Investing Activities:		
Proceeds - sale of property, plant and equipment	-	-
Payment for property, plant and equipment	(110,596)	(146,853)
Net cash provided by (used in) investing activities	<u>(110,596)</u>	<u>(146,853)</u>
 Net increase (decrease) in cash	 (271,019)	 318,140
Cash and cash equivalents at the beginning of the financial period	1,090,099	771,959
Cash and cash equivalents at the end of the financial period	<u>819,080</u>	<u>1,090,099</u>

To be read in conjunction with attached notes.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general-purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009 (The Act) and Class Order 11/01.

The Class Order specifies the measurement and disclosure requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board to be applied.

Early Adoption of Accounting Standards

In accordance with s334 (5) of the Corporations Act, the Board has early adopted the following accounting standards:

- AASB 1053 'Application of Tiers of Australian Accounting Standards'
- AASB 2010-02 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The Association satisfies the definition of a Tier 2 entity in accordance with AASB 1053.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the association in preparation of the financial report:

(a) Property, Plant & Equipment

Property, plant and equipment are included at cost or independent valuation. All assets are depreciated over their estimated useful lives.

(b) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

Long Service Leave benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(c) Receivables & Revenue Recognition

Trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(d) Trade & Other Creditors

These amounts represent liabilities for goods and services provided to the entity 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.

(e) Income Tax

The association is exempt from income tax.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(g) Inventories

Inventories are valued at the lower of cost or net realisable value using the first in first out method of assigning costs.

(h) Reciprocal grants

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

(i) Non-reciprocal grants

Revenue from non-reciprocal grants is recognised when the association obtains control of the funds.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

2. Revenue, consisting of

	2013	2012
Grant Income	3,842,984	2,688,399
Contributions	91,661	92,538
Trading / Operating Income	132,985	178,195
Other Income	118,684	228,929
	<u>4,186,314</u>	<u>3,188,061</u>
	=====	=====

3. Expenditure, consisting of

	2013	2012
Wage Payments	1,879,607	1,469,780
Superannuation Expense	151,753	116,027
Leave and Other Provisions	84,482	28,076
Program Partners/Consultants	970,022	372,147
Motor Vehicle Costs	76,533	126,942
Travel & Accommodation	27,350	34,799
Supervision	27,465	11,939
Audit Fee	11,635	13,200
Bank Fees	483	785
Bad debts	-	955
Board Costs	14,702	33,982
Brokerage	71,952	33,419
Business Planning Costs	9,818	-
Building Maintenance	32,117	14,883
Cleaning	19,198	14,134
Client Support	4,355	53,178
Depreciation	49,774	34,959
Utilities & Rates	15,845	11,070
Equipment & Maintenance	20,640	18,410
Insurance	17,997	17,627
IT Support & Maintenance	76,526	43,181
W.H. & S.	2,198	800
Printing / Photocopying	24,218	22,385
Program, Training & Conference	121,940	156,008
Promotion / Advertising	13,351	13,065
Postage / Distribution	3,365	2,827

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

3. Expenditure, continued

	2013	2012
Recruitment	18,641	19,756
Stationery / Staff Amenities	8,632	6,522
Security and Storage	5,173	3,433
Subscriptions	10,053	9,060
Sundry	26,092	9,881
Telephone / Fax	65,745	60,877
Website Hosting	156	5,887
Workers Compensation	29,172	21,849
Workplace Training	33,223	30,525
Premises Costs	115,783	217,380
	<u>4,039,996</u>	<u>3,029,748</u>
	=====	=====

4. Movements in carrying Amounts – Property Plant & Equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at beginning of year	312,803	55,612	207,424	575,839
Additions	-	15,361	95,235	110,596
Disposals	-	-	-	-
Depreciation	(366)	(14,480)	(34,928)	(49,774)
Revaluation	(89,633)	-	-	(89,633)
Carrying Amount at the end of the year	<u>222,805</u>	<u>56,493</u>	<u>267,730</u>	<u>547,028</u>

The land & building carrying value was based upon an independent valuation in 2013 on the basis of market value. A revaluation decrement of \$89,633 was recorded at 30 June 2013.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

5. Related Party Disclosures

	2013	2012
	\$	\$
Key Management Personnel Compensation		
Short Term and post employment Benefits	242,941	241,251

Key management personnel is defined as the Chief Executive Officer and the Managers of the major program streams.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 6 Reconciliation of cash		
(a) Cash at the end of the financial period as shown in the Statement of Cash flows is reconciled to the related items in the Balance Sheet Position as follows:		
Cash on hand	2,490	2,890
Cash at bank	816,590	1,087,209
Balance per Statement of Cash flows	<u>819,080</u>	<u>1,090,099</u>
 (b) Reconciliation of cash flow from operations with operating surplus after income tax		
Operating surplus after Income Tax	146,318	158,313
Non-cash flows in operating surplus		
Depreciation	49,774	34,959
Net Profit / (Loss) on sale of fixed assets	-	2,107
Fixed assets written off		
Employee benefits expense	74,754	44,616
Changes in assets and liabilities		
(Increase)/decrease in receivables	(63,427)	4,352
(Increase)/decrease in other assets	(3,591)	7,207
(Increase)/decrease in stock	243	472
Increase/(decrease) in GST payable	(10,367)	(2,722)
Increase/(decrease) in payables	5,322	30,440
Increase/(decrease) in other liabilities	(359,449)	185,249
Cash Flows from operations	<u>(160,423)</u>	<u>464,993</u>