

# **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2021**

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

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FOR THE YEAR ENDED 30 JUNE 2021

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# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report on Holdsworth Community Ltd (the Company) for the financial year ended 30 June 2021.

#### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Retired</b>
Helen Argiris	Director	
Anastasia (Tess) Protey	Director	Retired February 2021
Andrew Hobbs	Director	
Lynette Ainsworth	Chairperson	
Karn Nelson	Deputy Chair	
Allan Shell	Director	
Diana Ferner	Director	Retired September 2020
Lucinda Regan	Director	
Emma Hunt	Director	

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

#### Information on directors

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

Helen Argiris

Qualifications

BComm (UNSW), FCA, MAICD

Experience

Acted as Chairman from 2015 to February 2021. Helen is a Tax & Advisory Partner with BDO Sydney, and Chairman of BDO Australia. With a career spanning over 25 years in general tax advisory and accounting services, Helen works with private business, fast growing start-ups and subsidiaries of multinationals. Throughout her career, Helen has held positions on numerous Boards, including NFP's, as independent Director of external advisor.

Special responsibilities

Helen is a member of the Nomination & Remuneration Committee, the Audit and Risk and Strategy Committees.

Anastasia (Tess) Protey

Qualifications

BA MEd (UNSW) GradDipMgmt (USQ)

Experience

Appointed in 2015 Tess has been working with people who have intellectual disabilities for over 23 years, including 8 years at Holdsworth in 1990's. Prior to that she was a teacher in several High Schools, both government and private and also taught in the TAFE system. Tess returned to Holdsworth for a year after a 10 year stint as team manager at Junction House when the two organisations merged in 2014.

Special responsibilities

Tess was the Chair of the Social Impact Committee.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

### Information on directors

Andrew Hobbs

Qualifications

LLB (UK), FCCA (UK), GAICD

Experience

Appointed in 2018. Andy is a Director, Commercial Assets at NSW Treasury. Andy has over 14 years of experience in the public sector - working for the UK national government in finance until 2016 and in the NSW Treasury since his move to Australia. Andy has considerable expertise in financial policy and strategy as well as a solid commitment to volunteering for grassroots community organisations, particularly in the mental health field.

Special responsibilities

Andy is the Chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Lynette Ainsworth

Qualifications

BA (Syd), LLB (Syd), MStratHRM (Wollongong), Grad Dip Mgt (UTS), Grad DipEd (STC)

Experience

Appointed in 2018. Lynette was appointed to Chair in February 2021. Lynette has worked for more than 20 years in executive leadership roles in the not-for-profit Community Services sector. Her experience has focused on building culture, developing strategy and leading transformation and innovation initiatives. Lynette is a lawyer with experience as Company Secretary and in-house Counsel, with substantial governance experience.

Special responsibilities

Lynette is Chair of the Nomination and Remuneration Committee and a member of the Strategy and Innovation Committee, Social Impact Committee and Clinical Government Committees.

Karn Nelson

Qualifications

BA (UCL), YMP (INSEAD)

Experience

Appointed in 2017, Karn is the Executive General Manager Strategy & Innovation at aged care provider, the Whiddon Group. Karn has wide experience as a brand strategist working in Australia and internationally with strategic marketing and creative services agencies. She is passionate about arts and health and about enabling older people to stay connected to the things that matter to them and to continue to participate, contribute and be valued in society.

Special responsibilities

Karn is Deputy Chair and Chair of the Strategy and Innovation Committee and Chair of the Social Impact Committee and a member of the Clinical Governance Committee and the Nomination and the Remuneration Committee.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

### Information on directors

Allan Shell

Qualifications

MAICD, MB BS (UNSW), Grad Dip Public Health (UNSW)

Experience

For over 40 years Allan has lived and worked in our community, as a local GP in Rose Bay, and as a Director member of the Wolper Jewish Hospital in Woollahra. He is currently in Adjunct Senior Lecturer, in the Faculty of Medicine at UNSW, and over the past 10 years has been a lead facilitator for a national program in Dementia and Aged Care education.

Special responsibilities

Allan is the Chair of the Clinical Governance Committee and a member of the Strategy and Innovation Committee.

Diana Ferner

Qualifications

BA (Harvard), Master of Public Health (M.P.H) (Syd)

Experience

Diana is a Director at Social Ventures Australia where she works with boards and leadership teams across the social sector to navigate their most pressing challenges, providing critical expertise in the area of strategy, operating model design, impact measurement, and M&A. She brings extensive domestic and international experience working in strategy and operational roles across the corporate, non-profit, and public sectors.

Special responsibilities

Diana was a member of the Social Impact Committee

Lucinda Regan

Qualifications

BEC LLB (Syd), Graduate Diploma Applied Finance and Investment FINSIA, formerly SIA.

Experience

Following a successful career in the legal industry as a senior lawyer with Corrs Chambers Westgarth (which included an 18 month secondment to SOCOG in preparation of Sydney Olympic Games), Lucinda focused on her commercial career, working in the banking, and then property and constructions industries. During her time at Deutsche Bank and Walter Construction Group she gained extensive commercial experience in risk strategy, project commercial analysis, budgeting and project delivery, rising to senior leadership positions. During this time, she gained a strong reputation for her strategic and negotiation skills, as well as her ability to see projections to completion.

Special responsibilities

Lucinda is a member of the Audit & Risk Committee.

Emma Hunt

Qualifications

BA Econ (Syd), MIREl (Syd)

Experience

Emma is a senior executive and entrepreneurial leader with more than 20 years of strategy expertise across the Financial Services, Telecommunications and Retail sectors. Emma not only brings a wealth of knowledge and experience working in multinational and ASX listed businesses, consistently focusing on technology creating new business models, she is also a member of our Playgroup community.

Special responsibilities

Emma is a member of the Audit & Risk Committee.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

### Information on directors

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

### Company secretary

The following person held the position of Company secretary at the end of the financial year:

Ruth Kestermann (BEng Hons (USyd) MDev (MQ)) has been the Chief Executive Officer (CEO) since October 2017. Ruth Kestermann joined Holdsworth Community Ltd in 2014 after 14 years working as a project manager, engineer and consultant in the private, government and not-for-profit sector. Ruth has focused her efforts on building the resilience of vulnerable communities both in Australia and overseas. Ruth is an ex-officio member of the audit & risk, social impact and strategy committees.

### Review of operations

The surplus of the Company amounted to \$900,269 (2020: \$81,324).

This financial year, Holdsworth returned an unusually high overall surplus of \$900k, as a result of changes in income and operations brought about by the pandemic. As the effects and disruption of COVID-19 continue, Holdsworth is committed to ongoing support to our community and responding to those who are experiencing hardship as a result of these extraordinary circumstances. To this end we have allocated \$700k to a Special Contingency Reserve to sustain our future ability to deliver responsive and quality services.

During the 2020/2021 financial year the industry was directly affected by the required shut downs caused by the Covid-19 pandemic. The organisation has placed Covid-19 safe policies in place but the virus will have an ongoing affect on the organisation. This has not caused a going concern issue but management will continue to review the financial position of the organisation to assist in minimising its affect.

### Principal activities and significant changes in nature of activities

The principal activities of Holdsworth Community Ltd during the financial year were the provision of community-based services in the Sydney area.

There were no significant changes in the nature of Holdsworth Community Ltd's principal activities during the financial year.

### Objectives

The Company's short term objectives are to support children and adults living with intellectual disabilities; families with young children; older people who may be frail, ill, lacking mobility, experiencing social isolation or living with dementia; and their families and care givers throughout Sydney and its Eastern Suburbs.

The Company's purpose is to exist to uphold people's right to live and participate fully in their community and to be valued for the unique contribution they make.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Develop and grow a high-quality, thriving workforce;
- Invest in embedding our local approach to service delivery;
- Strengthen our role as navigator and coordinator of supports;
- Expand our support for older people;
- Hold ourselves accountable to creating positive impact.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

### Members' guarantee

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

At 30 June 2021 the collective liability of members was \$70 (2020: \$ 90).

### Events after the reporting date

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

### Future developments and results

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

### Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Helen Argiris	4
Tess Protey	4
Andrew Hobbs	8
Lynette Ainsworth	7
Karn Nelson	6
Allan Shell	8
Diana Ferner	1
Lucinda Regan	8
Emma Hunt	6

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

### Indemnification and insurance of officers

During the year the Company has provided indemnification by paying an insurance premium to insure the Directors and Executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of an Executive or Director of the Company, other than conduct involving a willful breach in relation to the Company.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2021 has been received and can be found on page 7 of the financial report.

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

Director:  .....

Lynette Ainsworth

Director:  .....

Andrew Hobbs

Dated: 10 September 2021



**HOLDSWORTH COMMUNITY LTD**  
**ABN: 50 949 197 281**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**National Audits Group Pty Ltd**  
**Authorised Audit Company**



**Steven J Watson**  
**Managing Director**

**Dated: 13 September 2021**

**Sydney**

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	\$	\$
Revenue	4	7,327,387	6,610,003
<b>Less: expenses</b>			
Depreciation expense		127,611	127,222
Employee benefits		5,309,456	5,199,838
Administration expenses		389,261	337,771
Other expenses		600,790	863,848
<b>Total comprehensive income for the year</b>		<u>900,269</u>	<u>81,324</u>
<b>Retained earnings at the beginning of the financial year</b>		<b>1,454,708</b>	<b>1,373,384</b>
Transfer to reserve	11	(700,000)	-
<b>Retained earnings at the end of the financial year</b>		<b><u>1,654,977</u></b>	<b><u>1,454,708</u></b>

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	4,334,710	2,374,472
Other assets	6	113,638	317,708
<b>TOTAL CURRENT ASSETS</b>		<u>4,448,348</u>	<u>2,692,180</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	682,406	808,044
<b>TOTAL NON-CURRENT ASSETS</b>		<u>682,406</u>	<u>808,044</u>
<b>TOTAL ASSETS</b>		<u>5,130,754</u>	<u>3,500,224</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	589,214	443,153
Contract liabilities	9	1,658,333	1,192,049
Employee benefits	10	396,417	303,200
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,643,964</u>	<u>1,938,402</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	131,813	107,114
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>131,813</u>	<u>107,114</u>
<b>TOTAL LIABILITIES</b>		<u>2,775,777</u>	<u>2,045,516</u>
<b>NET ASSETS</b>		<u>2,354,977</u>	<u>1,454,708</u>
<b>EQUITY</b>			
Reserves	11	700,000	-
Retained earnings		1,654,977	1,454,708
<b>TOTAL EQUITY</b>		<u>2,354,977</u>	<u>1,454,708</u>

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,159,203	2,254,219
Receipt from Commonwealth government grants	3,826,692	2,640,716
Receipt from NSW government grants	720,525	726,601
Receipt from Local government grants	1,024,493	1,071,325
Payments to suppliers and employees	(5,783,273)	(5,943,516)
Interest received	7,571	17,703
<b>Net cash provided by operating activities</b>	<u>1,955,211</u>	<u>767,048</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(1,973)	(110,257)
Proceeds from sale of plant and equipment	7,000	-
<b>Net cash provided by/(used in) investing activities</b>	<u>5,027</u>	<u>(110,257)</u>
<b>Net increase in cash and cash equivalents held</b>	1,960,238	656,791
Cash and cash equivalents at beginning of year	<u>2,374,472</u>	<u>1,717,681</u>
<b>Cash and cash equivalents at end of financial year</b>	5 <u>4,334,710</u>	<u>2,374,472</u>

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

The financial report covers Holdsworth Community Ltd as an individual entity. Holdsworth Community Ltd is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Holdsworth Community Ltd is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

Certain reclassifications have been made to the prior year's financial report to enhance comparability with the current year's financial report. As a result, certain line items have been amended in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flow, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation. The accounts reclassification has no impact to the financial result for the year ended 30 June 2020.

The financial report was authorised for issue by the Directors on 10 September 2021.

### 1 BASIS OF PREPARATION

The financial report is general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Charities and Not-for-profits Commission Regulation 2013*.

The Company has opted to adopt AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities ahead of its mandatory effective date of 1 July 2021. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial report as the Company's previous financial report complied with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial report has been prepared on an accruals basis and based on historical costs.

Significant accounting policies adopted in the preparation of this financial report 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 Company recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which expects to be entitled in exchange for those goods or services, using the following five-step model for each revenue stream.

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

# HOLDSWORTH COMMUNITY LTD

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## 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.

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

##### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

##### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company 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 Company 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 services has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Holdsworth Community 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.

##### Rendering of services

Revenue in relation to rendering services is recognised depending on whether the Company has fulfilled its performance obligation as outlined in the terms of the agreement with the customer. The Company provides a wide range of services on a not-for-profit basis, as outlined within the principal activities section to the Notes of the Financial Statements.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the Company transferring a service to the customer, the Company presents the contract as a contract liability.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (b) Revenue and other income

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if applicable), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract cost assets and released to the profit or loss on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

##### **Donations**

Donations and bequests are recognised as revenue when received.

##### **Volunteer services**

Holdsworth received services from volunteers who support organisation activities without receiving any compensation. Monetary value of these services estimated at \$249,004 and has been recognised in the statement of profit and loss, as both income and expenditure.

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Other income**

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

#### (c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (e) Property, plant and equipment

##### 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.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant & equipment	10% - 20%
Motor vehicles	20%
Computer equipment	25% - 30%
Leasehold improvements	5% - 20%

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

#### (f) Financial instruments

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

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

##### Financial assets

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

##### Classification

On initial recognition, the Company classifies its financial assets into amortised cost.

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.



# HOLDSWORTH COMMUNITY LTD

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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**

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

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

##### **Impairment of financial assets**

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for assets financial assets measured at amortised cost.

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

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

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

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

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

##### **Trade receivables**

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

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

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

##### **Other financial assets measured at amortised cost**

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

# HOLDSWORTH COMMUNITY LTD

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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 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) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank 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.

#### (h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

#### (i) Economic dependence

Holdsworth Community Ltd is dependent on the continued funding supplied by the Federal Government for the majority of its revenue used to operate the Company. At the date the financial report was authorised for issue, the Directors have no reason to believe the Federal Government will not continue to support Holdsworth Community Ltd.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors make estimates and judgements during the preparation of this financial report 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 report, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### ***Key estimates - impairment of property, plant and equipment***

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

#### ***Key estimates - provisions***

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### ***Key estimates - receivables***

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

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
<b>4 REVENUE AND OTHER INCOME</b>		
Client services fee	1,152,919	1,203,444
Donations	41,489	30,541
Rendering of services - NDIS	535,647	891,540
Government COVID subsidies	1,656,050	675,000
Government grants	3,405,376	3,279,485
Other income	535,906	529,993
	<u>7,327,387</u>	<u>6,610,003</u>
<b>Government Grants/Subsidies</b>		
<b>Commonwealth</b>		
Cash flow boost	100,000	-
Commonwealth Home Support Program (CHSP)	1,708,241	1,480,494
Jobkeeper wages grant	1,556,050	675,000
Stronger Communities Program	11,000	-
	<u>3,375,291</u>	<u>2,155,494</u>
<b>NSW</b>		
Targeted Earlier Intervention Program (DCJ)	48,300	49,022
Transport for NSW	589,425	658,009
	<u>637,725</u>	<u>707,031</u>
<b>Local</b>		
City of Sydney	5,000	35,000
Randwick Council	11,000	11,000
Waverley Council	22,077	21,302
Woollahra Council	1,010,333	1,024,658
	<u>1,048,410</u>	<u>1,091,960</u>

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
<b>5 CASH AND CASH EQUIVALENTS</b>		
CURRENT		
Bank balances	3,234,710	1,274,472
Short-term deposits	1,100,000	1,100,000
	<u>4,334,710</u>	<u>2,374,472</u>
<b>6 OTHER ASSETS</b>		
CURRENT		
Prepayments	15,539	15,783
Trade debtors	90,785	67,813
Other debtors	7,314	234,112
	<u>113,638</u>	<u>317,708</u>
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>		
NON-CURRENT		
Plant and equipment		
At fair value	207,728	205,755
Accumulated depreciation	(179,451)	(169,953)
	<u>28,277</u>	<u>35,802</u>
Motor vehicles		
At fair value	783,798	842,521
Accumulated depreciation	(394,079)	(385,161)
	<u>389,719</u>	<u>457,360</u>
Leasehold Improvements		
At cost	637,361	637,361
Accumulated amortisation	(372,951)	(322,479)
	<u>264,410</u>	<u>314,882</u>
	<u>682,406</u>	<u>808,044</u>

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### 7 PROPERTY, PLANT AND EQUIPMENT

#### *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:

	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Balance at the beginning of year	35,802	457,360	314,882	808,044
Additions	1,973	-	-	1,973
Depreciation expense	(9,498)	(67,641)	(50,472)	(127,611)
<b>Balance at the end of the year</b>	<b>28,277</b>	<b>389,719</b>	<b>264,410</b>	<b>682,406</b>

### 8 TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
CURRENT		
Trade payables	141,460	51,941
Accrued expenses	251,222	174,735
Superannuation payable	101,904	81,765
GST payable	60,848	62,777
Other payables	33,780	71,935
	<b>589,214</b>	<b>443,153</b>

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.

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

<b>9 CONTRACT LIABILITIES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Income received in advance	1,658,333	1,192,049

### Grant Funding Unearned Income

During the year not all projects were completed leaving unearned income as grants in advance to be carried forward to be used in the 2022 financial year. These amounts have been allocated to contract liabilities account. This is due to requirements under the accounting standards which require income and expenses to be matched. The table below details the breakdown of grants income between the different levels of government and other

#### Income in advance breakdown

Commonwealth grants	887,047	485,222
NSW grants	200,000	122,000
Local grants	4,583	28,500
Unspent home care package (HCP)*	560,803	549,291
Other income	5,900	7,036
	<u>1,658,333</u>	<u>1,192,049</u>

\*Funds received in advance from the Department of Social Services. Holdsworth holds the funds on behalf of the HCP client and provides the service for them.

## 10 EMPLOYEE BENEFITS

CURRENT		
Annual leave	257,465	188,814
Long service leave	138,952	114,386
	<u>396,417</u>	<u>303,200</u>
NON-CURRENT		
Long service leave	131,813	107,114

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

<b>11 RESERVES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Special Contingency Reserve</b>		
Opening balance	-	-
Transfers in	700,000	-
<b>Closing balance</b>	<u>700,000</u>	<u>-</u>
<b>Special Contingency Reserve</b>		

This financial year, Holdsworth returned an unusually high overall surplus of \$900k, as a result of changes in income and operations brought about by the pandemic. As the effects and disruption of COVID-19 continue, Holdsworth is committed to ongoing support to our community and responding to those who are experiencing hardship as a result of these extraordinary circumstances. To this end we have allocated \$700k to a Special Contingency Reserve to sustain our future ability to deliver responsive and quality services.

## 12 MEMBERS' GUARANTEE

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 7 (2020: 9).

## 13 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company is \$ 743,662 (2020: \$ 732,177).

## 14 AUDITORS' REMUNERATION

Remuneration of the auditor of the Company,  
National Audits Group, for:

- audit of the financial report	12,500	-
- assistance in compilation of the financial report	2,500	-
	<u>15,000</u>	<u>-</u>

Remuneration of the previous auditor of the  
Company, Rosenfeld Kant & Co, for:

- audit and assistance in compilation of the financial report	-	<u>8,200</u>
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# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### 15 CONTINGENCIES

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

### 16 RELATED PARTIES

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

Key management personnel - refer to Note 13.

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

**(b) Transactions with related parties**

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

The following transactions occurred with related parties:

Lucinda Regan is a Board Member and Councillor with Woollahra Municipal Council. In her role as Councillor she abstains from voting on the Council grant to Holdsworth Community Ltd. During the financial year, the Council provided \$1,010,333 contributions towards Holdsworth's programs.

### 17 EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue on 10 September 2021 by the Directors.

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.

### 18 STATUTORY INFORMATION

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

Holdsworth Community Ltd  
64 Holdsworth Street  
Woollahra NSW 2025

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2021

The Directors declare that in the responsible persons' opinion:

- 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 report and notes comply with the Australian Accounting Standards - Simplified Disclosures and 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*.

Director ..... 

Lynette Ainsworth

Director ..... 

Andrew Hobbs

Dated: 10 September 2021

## **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

### **INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2021**

#### **Report on the Audit of the Financial Report**

##### **Opinion**

We have audited the financial report of Holdsworth Community Ltd, which comprises the statement of financial position as at 30 June 2021, the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Holdsworth Community Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Simplified Disclosures 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

##### **Responsibilities of Responsible Entities for the Financial Report**

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine 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, the responsible persons are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

### **INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2021**

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2021**

**Auditor's Responsibilities for the Audit of the Financial Report (continued)**

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.

**National Audits Group Pty Ltd**  
**Authorised Audit Company**



**Steven J Watson**  
**Managing Director**

**Dated: 13 September 2021**

**Sydney**