

# **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2022**

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

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FOR THE YEAR ENDED 30 JUNE 2022

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# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report on Holdsworth Community Ltd (the Company) for the financial year ended 30 June 2022.

#### 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/Resigned</b>
Lynette Ainsworth	Chairperson	
Karn Nelson	Deputy Chair	
Helen Argiris	Director	Resigned: 17 November 2021
Andrew Hobbs	Director	
Allan Shell	Director	
Lucinda Regan	Director	
Emma Hunt	Director	
Anna Ashenden	Director	Appointed: 23 March 2022
Jennifer Herrera	Director	Appointed: 23 March 2022

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:

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.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

### Information on directors

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.

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.

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.

Allan Shell

Qualifications

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.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

### Information on directors

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.

Anna Ashenden

Qualifications

Bachelor of Psychology (First Class Hons), Master of International and Community Development, Grad Cert in Social Impact, MAICD

Experience

Appointed in 2022. Anna is Principal, Consulting at Social Ventures Australia. Anna has over 15 years' experience in the for purpose sector, including across Australia, Europe and Latin America. Anna's expertise is in supporting organisations to define and measure their impact and consider future strategic directions for programs and policies, with a strong social justice and community development focus.

Special responsibilities

Anna is a member of the Strategy & Social Impact committees.

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

### Information on directors

Jennifer Herrera

Qualifications

BSc. LLB (AU), MBA (USA)

Experience

Appointed in 2022. Jennifer has 30+ years' experience in the corporate sector in a wide variety of roles. Jennifer worked as a corporate lawyer in both Australia and the UK before moving to the USA in 1990 to complete her MBA and work for National Basketball Association in marketing, sponsorship, and consumer products. Returning in 2003, Jennifer has worked in a variety of loyalty marketing, payments and product development roles with leading organisations including Scentre Group (Westfield) and Mastercard.

Special responsibilities

Jennifer is a member of the Social Impact Committee.

### Company secretary

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

Jason Malone (BCom, CPA, MBA, GAICD) has been the Chief Executive Officer since 5th of October 2021. Jason comes to Holdsworth with over 20 years of experience across the banking, manufacturing, distribution and aged care sectors. He is passionate about making a difference and helping organisations to deliver person-centric solutions to ensure people feel valued and respected. He has led organisations through business turnaround, due diligence, acquisition, integration and crisis management

Prior to this, Ruth Kestermann (BEng Hons (USyd) MDev (MQ)) had 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 focused her efforts on building the resilience of vulnerable communities both in Australia and overseas. Ruth was an ex-officio member of the audit & risk, social impact and strategy committees.

### Review of operations

The Company broke even for the year after transfers to/from the special contingency reserve (2021: surplus of \$200,269).

During the 2021/2022 financial year the industry and Holdsworth were again directly affected by the required shut-downs in the first half of the financial year as well as the effect of delays and staff shortages caused by the ongoing Covid-19 pandemic. Whilst the Company grew its aged care business, Covid-19 directly effected the Company's ability to deliver on NDIS and other services such as shopping and home cuisine.

### 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.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

#### Objectives

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.

#### 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 2022 the collective liability of members was \$ 80 (2021: \$ 70).

#### Events after the reporting date

Post year end the Company has embarked on the upgrade of its Core Aged Care & Disability system to AlayaCare to better manage client service delivery, clinical risk as well as associated billing for community services, whilst ensuring a high-level quality operating IT framework is in place for the 2023 Financial Year to meet changing mandatory reporting requirements. The costs of this project are \$60,000 operational expense included the FY23 budget, capital expense of \$200,000 and on-going increase in annual operating expenditure of \$46,000.

No other 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

From 1 July 2022, the Department of Health and Transport for NSW have revised their funding models for CHSP and will no longer be funding the CHSP activities in advance. Instead the Company will be required to lodge the Units completed for each respective activity performed on a monthly basis, and subsequently receive funding in arrears in the following month. The transition to the single support at home program which replaces CHSP and HCP has been deferred to 1 July 2024.

No other likely developments in the operations of the Company and the expected results of those operations in future financial years have 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.

# HOLDSWORTH COMMUNITY LTD

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## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

### 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
Lynette Ainsworth	8	7
Karn Nelson	8	8
Helen Argiris	4	3
Andrew Hobbs	8	7
Allan Shell	8	7
Lucinda Regan	8	7
Emma Hunt	8	6
Anna Ashenden	3	3
Jennifer Herrera	3	3

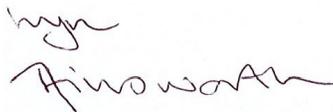
### Indemnification and insurance of officers

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 2022 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: .....

Karn Nelson

Dated: 5 October 2022

**HOLDSWORTH COMMUNITY LTD**

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**AUDITOR'S INDEPENDENCE DECLARATION**

**FOR THE YEAR ENDED 30 JUNE 2022**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2022, 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**



**Danielle Nye  
Director**

**Dated: 6 October 2022**

**Wagga Wagga**

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	\$	\$
Revenue	4	7,020,029	7,327,387
<b>Less: expenses</b>			
Administration expenses		488,922	389,261
Depreciation expense		121,322	127,611
Employee benefits		6,227,682	5,309,456
Other expenses		352,260	351,786
Volunteer expense recognition		251,247	249,004
<b>Profit/(loss) for the year</b>		(421,404)	900,269
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
<b>Total comprehensive income/(deficit) for the year</b>		(421,404)	900,269
Transfer to Reserves		-	(700,000)
Transfers from Reserves		421,404	-
<b>Total comprehensive income/(deficit) after transfer to/from reserves</b>		-	200,269

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	3,066,747	4,334,710
Trade and other receivables	7	297,348	301,035
Other assets		84,208	22,853
<b>TOTAL CURRENT ASSETS</b>		<b>3,448,303</b>	<b>4,658,598</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	561,084	682,406
<b>TOTAL NON-CURRENT ASSETS</b>		<b>561,084</b>	<b>682,406</b>
<b>TOTAL ASSETS</b>		<b>4,009,387</b>	<b>5,341,004</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	443,061	616,259
Contract liabilities	10	1,051,002	1,841,538
Employee benefits	11	469,985	396,417
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,964,048</b>	<b>2,854,214</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	111,766	131,813
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>111,766</b>	<b>131,813</b>
<b>TOTAL LIABILITIES</b>		<b>2,075,814</b>	<b>2,986,027</b>
<b>NET ASSETS</b>		<b>1,933,573</b>	<b>2,354,977</b>
<b>EQUITY</b>			
Reserves	2(j)	278,596	700,000
Retained earnings		1,654,977	1,654,977
<b>TOTAL EQUITY</b>		<b>1,933,573</b>	<b>2,354,977</b>

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

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## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>RETAINED EARNINGS</b>		
<b>Retained earnings at beginning of year</b>	1,654,977	1,454,708
Profit/(loss) for the year	(421,404)	900,269
Transfers to reserve	-	(700,000)
Transfers from reserve	421,404	-
	<u>1,654,977</u>	<u>1,654,977</u>
<b>Retained earnings at the end of the year</b>	<u>1,654,977</u>	<u>1,654,977</u>
<b>RESERVES</b>		
<b>Reserves at the beginning of the year</b>	700,000	-
Transfers to reserves	-	700,000
Transfers from reserves	(421,404)	-
	<u>278,596</u>	<u>700,000</u>
<b>Reserves at the end of the year</b>	<u>278,596</u>	<u>700,000</u>
<b>TOTAL EQUITY</b>	<u><u>1,933,573</u></u>	<u><u>2,354,977</u></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 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipt from government grants	3,886,332	4,024,244
Receipts from operating income	1,840,542	2,151,343
Receipt from other income	498,872	1,795,265
Payments to suppliers and employees	(7,493,709)	(6,015,641)
<b>Net cash provided by/(used in) operating activities</b>	<u>(1,267,963)</u>	<u>1,955,211</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(1,973)
Proceeds from sale of plant and equipment	-	7,000
<b>Net cash provided by/(used in) investing activities</b>	<u>-</u>	<u>5,027</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	(1,267,963)	1,960,238
Cash and cash equivalents at beginning of year	4,334,710	2,374,472
<b>Cash and cash equivalents at end of financial year</b>	<u>6</u> <u>3,066,747</u>	<u>4,334,710</u>

The accompanying notes form part of these financial statements.

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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.

The financial report was authorised for issue by the Directors on 5 October 2022.

### 1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs.

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 Contacts with Customers (AASB 15)

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

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.

##### Income for Not-for-Profit Entities (AASB 1058)

The Company recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Company for nil or nominal consideration and is deemed to further the objectives of the Company. This includes the services provided by volunteers.

**HOLDSWORTH COMMUNITY LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(b) Revenue and other income**

The revenue recognition policies for the key revenue streams of the Company are outlined as follows:

**Government Grants**

**Department of Health**

The Company receives funding from the Department of Health for the following Community Home Share Programme (CHSP) activities:

- Allied Health and Therapy Services;
- Transport;
- Domestic Assistance;
- Meals;
- Service Systems Development; and
- Social Support (Groups and Individuals).

The objectives of the funded activities are to:

- provide services that restore, improve or maintain frail, older people's health, wellbeing and independence;
- provide frail, older people with access to transport services that supports their access to the community;
- provide frail, older people with assistance with domestic chores to maintain their capacity to manage everyday activities in a safe, secure and healthy home environment;
- provide frail, older people with access to meals;
- support the development of the home support service system and enable CHSP service providers to operate effectively in line with the objectives of the CHSP and within the context of the broader aged care system;
- assist frail, older people to participate in community life and feel socially included through structured, group-based activities that develop, maintain or support independent living and social interaction; and
- assist frail, older people to participate in community life and feel socially included through meeting their need for social contact and company.

The funding agreement between the Company and the Department of Health specifies the number of 'Units' which the Company is required to complete (i.e. hours, trips, meals) for each activity. This results in a 'Unit Rate' which is subsequently used by the Company to monitor the 'Unit Cost' for each activity being performed.

Funding for these activities is received quarterly in advance from the Department of Health and is recognised as a contract liability upon receipt. The Company recognises revenue on a straight-line basis over the financial year for management reporting purposes. At the end of the financial year, the Company undertakes an assessment which compares the actual 'Units' (i.e. hours, trips, meals) completed against the 'Units' required to be completed as specified within the agreement for each activity.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (b) Revenue and other income

The incomplete 'Units' are deemed to be unearned funds which are subsequently reallocated to its respective contract liability account and reported within the Statement of Financial Position. Funding received for incomplete 'Units' can be carried forward and are added to the funded 'Units' to be completed within the subsequent financial year.

##### **Woollahra Municipal Council (Base Funding)**

The Company receives base funding from the Woollahra Municipal Council (WMC) annually. There are no specific performance obligations of the Company in relation to the usage of the funds received.

The Company receives the base funding quarterly in advance and allocates the funds across the following service activities:-

- Seniors;
- National Disability Insurance Scheme (NDIS);
- Meals / Home Cuisine; and
- Family Services / Playgroup.

As there are no performance obligations of the Company in relation to the base funding, the Company recognises the revenue on a straight-line basis over the financial year.

##### **Transport for NSW**

The Company receives funding from Transport for NSW for transport services under the Community Home Share Programme (CHSP).

The funding agreement between the Company and Transport for NSW specifies the number of 'Units' which the Company is required to complete (i.e. trips) during the funded period (financial year).

Funding for these activities is received quarterly in advance from Transport for NSW and is recognised as a contract liability upon receipt. The Company recognises revenue on a straight-line basis over the financial year for management reporting purposes. At the end of the financial year, the Company undertakes an assessment which compares the actual 'Units' (i.e. trips) completed with the funded 'Units' to be completed as specified within the agreement.

The incomplete 'Units' are deemed to be unearned funds which are subsequently reallocated to its respective contract liability account and reported with the Statement of Financial Position. Funding received for incomplete 'Units' can be carried forward and are added to the funded 'Units' to be completed within the subsequent financial year.

##### **Department of Communities and Justice**

The Company receives funding from the Department of Communities and Justice for the following activities:

- Family services;
- Home share; and
- Reducing social isolation for seniors.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (b) Revenue and other income

The objectives of the funded activities are to:

- Increase a sense of belonging for families and children to their community; and
- provide young people with affordable accommodation with good access to work opportunities and educational facilities, as well as older people with company and some assistance with domestic duties.

The funding agreement between the Company and Department of Communities and Justice specifies the number of 'Units' which the Company is required to complete (i.e. clients) during the funded period (financial year). The performance obligations of the Company, however, are not deemed to be linked to the completion of the specified units. The Company has determined the costs incurred to employ relevant personnel to lead the program as well as the costs incurred to advertise positions and services, are not directly related to the number of 'Units' (i.e. clients).

Funding is received in advance and recognised as a contract liability upon receipt. The Company subsequently recognises revenue on a straight-line basis over the year to which the costs were incurred to run the program.

#### **Operating Income**

##### **Home Care Package (HCP) Services**

The Company is an approved home care provider who receives government subsidies from Services Australia on behalf of home care package (HCP) providers. Services Australia may also provide extra funding for recipients who are eligible for home care supplements (including, dementia and cognition, veterans', oxygen, enteral feeding, viability, and hardship).

There are four (4) levels of Home Care Packages to help meet the different levels of care needs:-

- Level 1 – for people with basic care needs;
- Level 2 – for people with low-level care needs;
- Level 3 – for people with intermediate care needs; and
- Level 4 – for people with high-level care needs.

A community care coordinator is assigned to each HCP recipient who develops a care plan and budget based on the needs of the recipient. As a result, recipients may be required to make self-contributions to cover costs which are unable to be subsidised based on their respective level of care.

The Company subsequently provides the care services using either direct (i.e. internally via staff employed or sub-contractors hired), or indirectly (i.e. through external service providers and suppliers). Expenses are incurred by the Company on a monthly basis in advance.

The Company charges a 'management fee' of 20% which includes a 10% fee for management of the care funds, and a 10% fee for the management of the care plan. Management fees are calculated based on the 'total entitlement' of each HCP recipient on a monthly basis.

At the end of each month, the Company submits a claim with Services Australia for costs incurred directly and indirectly, plus the management fee. Each claim is received within the subsequent month.

Direct services performed and management fees charged are recognised as revenue of the Company within the month to which the expenses was incurred. Indirect services are not recognised as revenue, as the Company is acting as the agent of these funds.

# HOLDSWORTH COMMUNITY LTD

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (b) Revenue and other income

During the 2021/22 financial year, Services Australia revised the funding model of Home Care Packages (HCP). Historically, the Company received HCP recipient funding in advance which was initially recognised as a contract liability within the Statement of Financial Position. The liability would subsequently reduce in accordance with the monthly expenses incurred.

As part of the revised model, Services Australia required HCP providers to return any unspent existing funds. The HCP unspent funds reported as at 30 June 2021 are substantially higher than the balance reported as at 30 June 2022 due to the return of funds and revised funding model.

#### **National Disability Insurance Scheme**

The Company is a registered National Disability Insurance Scheme (NDIS) provider under the National Disability Insurance Agency (NDIA).

The Company provides services to the following clients:

- Self-managed;
- Plan managed; and
- NDIA.

Self-managed and plan-managed clients take care of their own claims to the government, whereas NDIA clients require the Company to make their claim for them.

The NDIA claims are made in arrears on the government portal (MyPlace) based on the expenses incurred by the client. Each service has its own rate, which gets updated every 6 months.

Self-managed clients are invoiced directly for services performed by the Company, based on how many hours have been provided during the month.

Plan-managed clients have invoices issued to their plan manager for services performed by the Company, based on how many hours have been provided during the month.

NDIA clients have invoice issued to the NDIA (i.e. claims) for services performed by the Company, based on how many hours have been provided during the month.

Revenue from these services is subsequently recognised within the period to which the services have been performed.

#### **Volunteer Service Income**

The Company receives services from volunteers who support the activities of the Company without receiving any compensation. The Company has maintained timesheet records for volunteer services performed and subsequently recognises volunteer service income and expenses respectively, which is based on the applicable pay rate for the services performed under the Social Community Home Care & Disability Services (SCHADS) Award.

The Directors have determined that the revenue recognised is a fair representation of the expenses expected to be incurred, in the event the volunteers did receive compensation for the services provided.

#### **Other Operating Income**

Other operating income is recognised as revenue within the period to which the Company satisfied its performance obligations.

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (b) Revenue and other income

##### Other Income

##### Government COVID Subsidies

The Company has been eligible to receive JobSaver subsidies from the Commonwealth government, as part of the COVID-19 economic relief.

The subsidies received during the period were recognised as revenue upon receipt due to the funding having no specific performance obligations other than subsidising the wage and salary expenses of the Company.

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

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

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Depreciation

Property, plant and equipment 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:

<b>Fixed asset class</b>	<b>Useful life</b>
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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(e) 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(e) Financial instruments**

**Financial assets**

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.

**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 and other payables.

**(f) 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.

**(g) Employee benefits**

A liability is made for the Company's 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.

**(h) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (h) Provisions

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (i) Economic dependence

Holdsworth Community Ltd is dependent on the continued funding supplied to perform majority of its services and to operate the Company. At the date the financial report was authorised for issue, the Directors have no reason to believe the major funding providers will not continue to support Holdsworth Community Ltd.

#### (j) Reserves

##### **Special Contingency Reserve**

During the 2021 financial year, the Company returned an unusually high overall surplus of \$900,268, 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 the community and responding to those who are experiencing hardship as a result of these extraordinary circumstances. To this end \$700,000 was re-allocated from retained earnings into a Special Contingency Reserve to sustain future ability to deliver responsive and quality services.

In the 2022 financial year, \$421,404 was allocated from the Special Contingency Reserve to fund the current year deficit.

### 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 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>4 REVENUE AND OTHER INCOME</b>		
<b>Government grants</b>		
- Department of Health (CHSP)	2,137,558	1,708,241
- Woollahra Municipal Council (Base Funding)	1,026,498	1,010,333
- Transport for NSW	540,688	594,225
- Department of Communities and Justice (DCJ)	271,330	48,300
- Other grants and subsidies	69,904	208,374
	4,045,978	3,569,473
<b>- Operating income</b>		
- Home Care Package (HCP) services	1,472,101	798,757
- National Disability Insurance Scheme (NDIS) services	402,739	530,847
- Volunteer service income	251,247	249,004
- Home cuisine sales	120,894	134,589
- CHSP 1: support income	121,078	49,576
- Client service fees	79,512	77,525
- Home share income	27,608	122,351
	2,475,179	1,962,649
<b>Other income</b>		
- Government COVID subsidies	390,863	1,656,050
- Other income	108,009	139,215
	498,872	1,795,265
<b>Total revenue and other income</b>	7,020,029	7,327,387
<b>5 AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the Company, National Audits Group, for:		
- audit of the financial report	17,500	12,500
- assistance in compilation of the financial report	2,500	2,500
	20,000	15,000
<b>6 CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash at bank	2,866,747	3,234,710
Short-term deposits	200,000	1,100,000
	3,066,747	4,334,710

# HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>7 TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Trade receivables	79,505	90,785
Home care package (HCP) services receivable	217,843	183,206
Other receivables	-	27,044
	<u>297,348</u>	<u>301,035</u>
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
NON-CURRENT		
Plant and equipment		
At fair value	207,727	207,728
Accumulated depreciation	(188,993)	(179,451)
	<u>18,734</u>	<u>28,277</u>
Motor vehicles		
At fair value	783,798	783,798
Accumulated depreciation	(456,781)	(394,079)
	<u>327,017</u>	<u>389,719</u>
Leasehold Improvements		
At cost	637,361	637,361
Accumulated amortisation	(422,028)	(372,951)
	<u>215,333</u>	<u>264,410</u>
	<u>561,084</u>	<u>682,406</u>

### 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 2022</b>				
Balance at the beginning of year	28,277	389,719	264,410	682,406
Depreciation expense	(9,543)	(62,702)	(49,077)	(121,322)
<b>Balance at the end of the year</b>	<u>18,734</u>	<u>327,017</u>	<u>215,333</u>	<u>561,084</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>9 TRADE AND OTHER PAYABLES</b>		
CURRENT		
Trade payables	76,762	141,460
Accrued expenses	110,777	251,222
Superannuation payable	151,912	101,903
ATO payable	100,534	116,757
Other payables	3,076	4,916
	<u>443,061</u>	<u>616,258</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**10 CONTRACT LIABILITIES**

CURRENT		
Department of Health (CHSP)	887,046	887,046
Home Care Package (HCP) services	113,119	744,009
Department of Communities and Justice (DCJ)	25,837	200,000
Transport for NSW	-	5,901
Other grants	25,000	4,582
	<u>1,051,002</u>	<u>1,841,538</u>

**11 EMPLOYEE BENEFITS**

CURRENT		
Annual leave	322,040	257,465
Long service leave	147,945	138,952
	<u>469,985</u>	<u>396,417</u>
NON-CURRENT		
Long service leave	111,766	131,813
	<u>111,766</u>	<u>131,813</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

**12 KEY MANAGEMENT PERSONNEL REMUNERATION**

The total remuneration paid to key management personnel of the Company during the year ended 30 June 2022 is \$ 924,063 (2021: \$ 743,662).

For details of other transactions with key management personnel, refer to Note 13: Related Parties.

**13 RELATED PARTIES**

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

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity is considered key management personnel.

Key management personnel of the Company during the year consisted of the Board of Directors and the following management positions:

- Chief Executive Officer (CEO);
- Chief Financial Officer (CFO);
- Head of Community Care;
- Human Resources (HR) Manager;
- Operations Manager;
- Manager of NDIS and Family Share Services; and
- Transport and Home Cuisine Manager.

For details of remuneration disclosures relating to key management personnel, refer to Note 12: Key Management Personnel Remuneration.

Other related parties:

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.

Transactions with other related parties of the Company during the year consisted of the following:

- A Director of the Company is a Councilor of the Woollahra Municipal Council (WMC) which provided the Company \$1,026,498 in funding revenue during the year; and
- A close relative of a member of management owns a uniform company which supplied uniforms to the Company during the year at a cost of \$14,000.

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

## **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

#### **14 CONTINGENCIES**

The Company is in discussion with the Department of Communities and Justice regarding the funding it received for developing Home Share. The Company did not achieve the clients required under the agreement due to low take up. However the Company incurred expenses in excess of the funding to employ relevant personnel to lead the program as well as the costs incurred to advertise positions and services. Whilst discussions continue, the Company does not expect the Department of Communities and Justice will seek to recoup the funding they provided and hence no provision has been made in the financial statements.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2022 (30 June 2021: None).

#### **15 EVENTS AFTER THE END OF THE REPORTING PERIOD**

The financial report was authorised for issue on 5 October 2022 by the Board of Directors.

Post year end the Company has embarked on the upgrade of its Core Aged Care & Disability system to AlayaCare to better manage client service delivery, clinical risk as well as associated billing for community services, whilst ensuring a high-level quality operating IT framework is in place for the 2023 Financial Year to meet changing mandatory reporting requirements. The costs of this project are \$60,000 operational expense included the FY23 budget, capital expense of \$200,000 and on-going increase in annual operating expenditure of \$46,000.

No other 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.

#### **16 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**

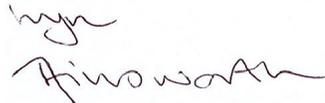
**RESPONSIBLE PERSONS' DECLARATION**

**FOR THE YEAR ENDED 30 JUNE 2022**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity 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: 5 October 2022

## **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

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

**FOR THE YEAR ENDED 30 JUNE 2022**

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

##### **Opinion**

We have audited the accompanying financial report, being a general purpose financial report of Holdsworth Community Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2022 is prepared, in all material respects, in accordance with Australian Accounting Standards - Simplified Disclosures.

##### **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 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 Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management 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.

##### **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 the 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.

## **HOLDSWORTH COMMUNITY LTD**

**ABN: 50 949 197 281**

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

**FOR THE YEAR ENDED 30 JUNE 2022**

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

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 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 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 reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



**Danielle Nye**  
**Director**

**Dated: 6 October 2022**

**Wagga Wagga**