

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

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HOLDSWORTH COMMUNITY LTD

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Directors present their report on Holdsworth Community Ltd (the Company) for the financial year ended 30 June 2024.

Directors

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

Names	Position	Appointed/Resigned
Lynette Ainsworth	Director/Chair	Resigned: 30 November 2023
Karn Nelson	Director/Co-Chair	
Andrew Hobbs	Director/Co-Chair	
Allan Shell	Director	
Sarah Swan	Director	
Emma Hunt	Director	
Anna Ashenden	Director	
Jennifer Herrera	Director	
Susan Adamczuk	Director	Appointed: 19 June 2024
George Karagiannakis	Director	Appointed: 19 June 2024

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

On 30 November 2023, Lynette Ainsworth resigned from the Board and was appointed Interim Chief Executive Officer. Karn Nelson and Andrew Hobbs were elected as Co-Chairs from that date.

Allan Shell passed away in July 2024.

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 has worked for more than 25 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	Resigned as Chairperson and Director on 30 November 2023 to take on the interim CEO role for the Company

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DIRECTORS' REPORT

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Information on Directors

Karn Nelson

Qualifications

BA (UCL), YMP (INSEAD)

Experience

Appointed in 2017, Karn was appointed Co-Chairperson in December 2023. 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 Co-Chairperson of the Strategy and Innovation Committee, Chair of the Social Impact Committee and a member of the Clinical Governance Committee and the Nomination and the Remuneration Committee.

Andrew Hobbs

Qualifications

LLB (UK), FCCA (UK), GAICD

Experience

Appointed in 2018, Andrew (Andy) was appointed as Co-Chair in December 2023. Andy is an Executive Director, Financial Stewardship and Public Reporting at NSW Treasury. Andy has over 15 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 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 was an Adjunct Professor and Lecturer, in the Faculty of Medicine at UNSW, and was a lead facilitator for a national program in Dementia and Aged Care education.

Allan Shell passed away in July 2024.

Special responsibilities

Allan was the Chair of the Clinical Governance Committee and a member of the Strategy and Innovation Committee. Allan served as Holdsworth's representative on the Woollahra Dementia Alliance.

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Information on Directors

Sarah Swan

Qualifications

Bachelor of Arts (Media and Communication) (USYD), Juris Doctor (USYD)

Experience

Sarah has worked in Family Law for over 5 years and is a strong advocate against all forms of family violence and abuse against all genders and age groups. Sarah is a director of a law firm. Sarah has lived in the area for over 20 years and is a passionate community activist. Sarah is a Woollahra Councillor and offers a unique connection with Woollahra Municipal Council which reflects the history and association between the two organisations to provide input to both Holdsworth and Council to help them achieve their objectives.

Special responsibilities

Sarah 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 2023. Anna is the Chief Operating Officer at the National Centre of Excellence in Intellectual Disability Health. 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 Committee.

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Information on Directors

Jennifer Herrera

Qualifications

BSc. LLB (AU), MBA (USA)

Experience

Appointed in 2023. 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.

Susan Adamczuk

Qualifications

RN, BHSc(nurs), MPH

Experience

Appointed in June 2024. Susan has passion and more than 30 years' experience as a senior aged care executive with both not-for-profit and for-profit providers of residential aged care, community care and retirement living. Prior to this Susan was a nurse academic at Western Sydney University for the BHSc(nurs) and Masters of Aged Care Management. She also has experience as an external advisor for curriculum development for both the Bachelor of Nursing (WSU) and Master of Health Management UNE and is a Non-Executive Director for stand alone profit aged care provider chairing the Clinical Governance committee.

George Karagiannakis

Qualifications

BEc(ANU), MBA (UNE), CPA, AICD

Experience

Appointed in June 2024. George is Executive Manager of Government & Industry Affairs at IAG. In IAG he has worked in various senior corporate positions including public policy, international strategy, risk management, and corporate strategy.

Prior to joining IAG he worked in Telstra in senior finance roles, and prior to that in the federal departments of Finance, Transport/Aviation, Communication, and Defence, in senior policy positions.

George is also on the Board of the Sydney Institute, and Secretary of the Australian Professional Government Relations Association.

Special responsibilities

George is a member of the Audit & Risk Committee.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Company secretary

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

Lynette Ainsworth BA (Syd), LLB (Syd), MStratHRM (Wollongong), Grad Dip Mgt (UTS), Grad DipEd (STC) was appointed Chief Executive Officer on 1 December 2023. Lynette was a Director and Chairperson of the Board from 2018 to 30 November 2023.

Review of operations

The Company achieved a profit of \$51,565, a significant improvement from the previous year. This period marked another successful year, with total revenue growing by 13.7%.

The Company remained steadfast in its commitment to supporting people in the community and fostering social connections to help individuals lead independent and fulfilling lives. A testament to this dedication is the impressive 60% growth in the homecare business.

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.

Purpose

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; and
- Hold ourselves accountable for 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 \$ 20 for members that are corporations and \$ 20 for all other members, subject to the provisions of the company's constitution.

At 30 June 2024 the collective liability of members was \$160 (2023: \$160).

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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

There were no likely developments in the operations of the Company, and the expected results of 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 were held. Attendances by each Director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Andrew Hobbs	8	7
Karn Nelson	8	8
Allan Shell	8	6
Sarah Swan	8	5
Emma Hunt	8	5
Anna Ashenden	8	3
Jennifer Herrera	8	8
Lynette Ainsworth	3	3
Susan Adamczuk	1	1
George Karagiannakis	1	1

Note: Anna Ashenden was on maternity leave for majority of the year.

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.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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 2024 has been received and can be found on page 8 of the financial report.

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

Director: 
Andrew Hobbs

Director: 
Karn Nelson

Dated: 25 September 2024

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AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2024

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2024, 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: 25 September 2024

Wagga Wagga

HOLDSWORTH COMMUNITY LTD

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$	\$
Revenue and other income	4	10,350,575	9,096,995
Less: expenses			
Administration expenses		939,414	756,556
Depreciation expense		130,033	125,764
Employee benefits		8,461,250	7,593,436
Other expenses		334,268	342,331
Volunteer expense recognition		434,045	480,968
Profit / (loss) for the year		51,565	(202,060)
Income tax expense	2(a)	-	-
Other comprehensive income		-	-
Total comprehensive income / (deficit) for the year		51,565	(202,060)
Transfers (to) / from reserves		-	202,060
Total comprehensive income after transfer (to) / from reserves		51,565	-

The accompanying notes form part of these financial statements.

HOLDSWORTH COMMUNITY LTD

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,056,317	1,992,552
Trade and other receivables	7	787,847	384,638
Other assets		126,345	176,370
TOTAL CURRENT ASSETS		<u>1,970,509</u>	<u>2,553,560</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	633,510	679,401
TOTAL NON-CURRENT ASSETS		<u>633,510</u>	<u>679,401</u>
TOTAL ASSETS		<u>2,604,019</u>	<u>3,232,961</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	291,881	528,288
Contract liabilities	10	30,482	359,754
Employee benefits	11	377,677	520,535
TOTAL CURRENT LIABILITIES		<u>700,040</u>	<u>1,408,577</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	120,901	92,871
TOTAL NON-CURRENT LIABILITIES		<u>120,901</u>	<u>92,871</u>
TOTAL LIABILITIES		<u>820,941</u>	<u>1,501,448</u>
NET ASSETS		<u>1,783,078</u>	<u>1,731,513</u>
EQUITY			
Reserves	12	398,036	398,036
Retained earnings		1,385,042	1,333,477
TOTAL EQUITY		<u>1,783,078</u>	<u>1,731,513</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
RETAINED EARNINGS		
Retained earnings at beginning of year	1,333,477	1,333,477
Profit / (loss) for the year	51,565	(202,060)
Transfers from reserve	-	202,060
Retained earnings at the end of the year	<u>1,385,042</u>	<u>1,333,477</u>
RESERVES		
Reserves at the beginning of the year	398,036	600,096
Transfers from reserves	-	(202,060)
Reserves at the end of the year	<u>398,036</u>	<u>398,036</u>
TOTAL EQUITY	<u><u>1,783,078</u></u>	<u><u>1,731,513</u></u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipt from government grants	3,841,377	3,924,771
Receipts from operating income	5,697,972	4,105,761
Receipts from other income	182,371	168,357
Payments to suppliers and employees	(10,573,372)	(9,057,303)
Net cash used in operating activities	<u>(851,652)</u>	<u>(858,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(97,379)	(244,081)
Proceeds from sale of plant and equipment	12,796	28,000
Net cash used in investing activities	<u>(84,583)</u>	<u>(216,081)</u>
Net decrease in cash and cash equivalents held	(936,235)	(1,074,495)
Cash and cash equivalents at beginning of year	1,992,552	3,066,747
Cash and cash equivalents at end of financial year	6 <u>1,056,317</u>	<u>1,992,252</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 2024

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 25 September 2024.

1 BASIS OF PREPARATION

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

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

Material accounting policies adopted in the preparation of the financial report are presented below.

All other presentation remains consistent with prior reporting periods unless otherwise stated.

During the 2024 financial year, term deposits with a maturity greater than 3 months have been reclassified from other financial assets to term deposits under cash and cash equivalents (due to their liquidity and termination). The comparative opening cash and cash equivalents balance in the statement of cash flows has been retrospectively adjusted accordingly.

The Company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies, and therefore, policy information which does not satisfy one of the following requirements has been removed from the financial report:

- Relates to change in accounting policy;
- Policy has been developed in the absence of an explicit accounting standard requirement;
- Documents an accounting policy choice;
- Relates to an area of significant judgement or estimation; and
- Relates to a complex transaction and is required to explain treatment of the user.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Income Tax

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

HOLDSWORTH COMMUNITY LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL 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 Support 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 in arrears from the Department of Health. The Company recognises contract revenue amount as an accrual each month over the financial year for management reporting purposes. At the end of the month, the Company submit actual 'Units' achieved/completed for the previous month to the Department via Data Exchange. The Department assesses the Company's 'Units' achieved versus the agreement for each activity and then remits payment to the Company.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

Woollahra Municipal Council (Funding)

The Company receives funding from the Woollahra Municipal Council (WMC) for the purpose of performing specific obligations on behalf of the Council.

The Company receives funding for the following activities which requires quarterly budgets and actuals to be prepared and submitted to the WMC at the end of each quarter:

- Connect Program;
- Dementia Alliance;
- Family Services;
- Navigating the MAC (My Aged Care System); and
- Wellness Hub

Funding is received in advance, is recognised as a contract liability on initial receipt and then recognised as revenue on a straight-line basis over the year in which the costs are incurred to run the program. Holdsworth reports on satisfaction of the performance obligations on a quarterly basis.

Transport for NSW

The Company receives funding from Transport for NSW for transport services under the Commonwealth Home Support Program (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 in arrears from Transport NSW. The Company recognises contract revenue amount as an accrual each month over the financial year for management reporting purposes. At the end of the month, the Company submit actual 'Units' achieved/completed for the previous month to the Department via Data Exchange. The Department assesses the Company's 'Units' achieved versus the agreement for each activity and then remits payment to the Company.

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.

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.

HOLDSWORTH COMMUNITY LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

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 27.5% which includes a 15% fee for management of the care funds, and a 12.5% 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 are incurred. Indirect services are not recognised as revenue, as the Company is acting as the agent of these funds.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(b) Revenue and other income

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(c) 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 depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
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.

(d) Financial instruments

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and other financial assets in the statement of financial position.

Impairment of financial assets

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.

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(d) Financial instruments

Financial liabilities

The financial liability of the Company comprises trade and other payables.

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.

(e) Leases

At inception of a contract, the Company assesses whether a lease exists.

Exceptions to lease accounting

The Company entered into lease agreements with Woollahra Municipal Council for properties located at 64 Holdsworth Street, Woollahra and 334 Edgecliff Road, Woollahra. Both leases commenced on 1 January 2014. The lease term is 5 years with an option to renew for another 5 years (exercisable once) and due to expire on 31 December 2023.

On 11 November 2023, Woollahra Municipal Council permitted the Company to continue to occupy both properties after the termination date on a holding over basis on the same terms.

The rent charged for both leases are deemed to be nominal and therefore, the Company has classified the leases as peppercorn leases. On this basis, the Company has applied the exceptions to lease accounting under AASB 16 *Leases* as well as AASB 1058 *Income of Not-for-profits Entities*. No right-of-use asset or lease liabilities have been recognised accordingly.

(f) 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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(g) 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.

HOLDSWORTH COMMUNITY LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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 - 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
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
4 REVENUE AND OTHER INCOME		
Government grants		
- Department of Health (CHSP)	2,583,995	2,654,621
- Woollahra Municipal Council	894,999	863,596
- Transport for NSW	582,366	551,263
- Department of Communities and Justice (DCJ)	55,558	78,374
- Other grants and subsidies	175,211	302,158
	4,292,129	4,450,012
Operating income		
- Home Care Package (HCP) services	4,510,482	2,823,954
- Client service fees	443,098	391,901
- Volunteer service income	434,045	480,968
- National Disability Insurance Scheme (NDIS) services	403,716	625,461
- Home cuisine sales	79,900	113,726
- Home share income	4,834	32,616
- Other income	182,371	178,357
	6,058,446	4,646,983
Total revenue and other income	10,350,575	9,096,995
5 AUDITOR'S REMUNERATION		
Remuneration of the auditor of the Company, National Audits Group, for:		
- auditing of financial report	21,500	20,000
- assistance in compilation of financial report	2,500	2,500
	24,000	22,500
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	1,056,317	192,552
Term deposits	-	1,800,000
	1,056,317	1,992,552

HOLDSWORTH COMMUNITY LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
7 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	287,298	37,118
Home care package (HCP) services receivable	500,549	347,520
	787,847	384,638
	787,847	384,638
 8 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Plant and equipment		
At cost	238,878	232,221
Accumulated depreciation	(211,465)	(199,372)
	27,413	32,849
	27,413	32,849
 Motor vehicles		
At cost	672,738	639,193
Accumulated depreciation	(388,938)	(354,103)
	283,800	285,090
	283,800	285,090
 Computer software		
At cost	263,527	219,588
Accumulated depreciation	(72,181)	(25,161)
	191,346	194,427
	191,346	194,427
 Leasehold improvements		
At cost	637,361	637,361
Accumulated depreciation	(506,410)	(470,326)
	130,951	167,035
	130,951	167,035
	633,510	679,401

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

8 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 & Equipment	Motor Vehicles	Computer Software	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2024					
Balance at the beginning of year	32,849	285,090	194,427	167,035	679,401
Additions	6,657	33,545	57,177	-	97,379
Disposals	-	-	(13,020)	-	(13,020)
Depreciation Expense	(12,093)	(34,835)	(47,238)	(36,084)	(130,250)
Balance at the end of the year	27,413	283,800	191,346	130,951	633,510

HOLDSWORTH COMMUNITY LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
9 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	176,344	135,665
Accrued expenses	-	34,776
Superannuation payable	69,519	188,007
Other payables	6,015	312
ATO payable	40,003	169,528
	<u>291,881</u>	<u>528,288</u>
10 CONTRACT LIABILITIES		
CURRENT		
Department of Health (CHSP)	-	223,921
Home Care Package (HCP) services	30,482	51,087
Other grants	-	84,746
	<u>30,482</u>	<u>359,754</u>
11 EMPLOYEE BENEFITS		
CURRENT		
Annual leave	319,105	357,814
Long service leave	58,572	162,721
	<u>377,677</u>	<u>520,535</u>
NON-CURRENT		
Long service leave	120,901	92,871
	<u>120,901</u>	<u>92,871</u>

12 RESERVES

The operating reserve records excess funds from historical periods which have been set aside for the purpose of offsetting any current unforeseen expenses.

13 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company during the year ended 30 June 2024 is \$1,045,478 (2023: \$1,037,150).

For details of other transactions with key management personnel, refer to Note 14: Related Parties.

HOLDSWORTH COMMUNITY LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

14 RELATED PARTIES

The Company's main related parties are as follows:

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 Operations;
- Manager of NDIS and Family Share Services; and
- Marketing Manager

For details of remuneration disclosures relating to key management personnel, refer to Note 13: Key Management Personnel Remuneration. There are no other transactions directly involving key management personnel during the year.

Other related parties:

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

- A Director of the Company is a Councillor of Woollahara Municipal Council. During the year, the Council provided the Company \$894,999 in funding revenue and the Company paid nominal amount for peppercorn leases.

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

15 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

16 EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue on 25 September 2024 by the Board of 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.

HOLDSWORTH COMMUNITY LTD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

17 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

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DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2024

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 2022 (Cth)*.

Director

Andrew Hobbs

Director

Karn Nelson

Dated: 25 September 2024

HOLDSWORTH COMMUNITY LTD
ABN: 50 949 197 281

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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 2024, 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 material accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2024 is prepared, in all material respects, in accordance with 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 2024 and of its financial performance for the year then ended; and
- ii) complying with the Australian Accounting Standards - Simplified Disclosures, and the *Australian Charities and Not-for-Profits Commission Regulation 2022 (Cth)*.

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.

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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.

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 management.
- Conclude on the appropriateness of 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 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.

HOLDSWORTH COMMUNITY LTD

ABN: 50 949 197 281

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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

We also provide 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: 25 September 2024

Wagga Wagga