



RECLINK AUSTRALIA
ABN: 53 046 843 443

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Placeholder for the financial statements table content, which is represented by a grid of plus signs (+).



Reclink Australia

ABN : 53 046 843 443

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Directors' Report

30 June 2023

The directors present their report on Reclink Australia for the financial year ended 30 June 2023.

Directors

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

| Names | Position | Appointed/Resigned |
|-------------------------|-----------------|---------------------------|
| Michael Brown | Chair | |
| Cameron Hannebery | Deputy Chair | |
| Peter Cullen AM | Founder | |
| Kaanji Skandakumar | Treasurer | Appointed 5 July 2022 |
| Scott Davies | | Resigned 23 November 2022 |
| Theresa Sgambaro | | Resigned 23 November 2022 |
| Marnie Gibson | | |
| David Emerson | | Appointed 21 October 2020 |
| Melissa Brown | | Appointed 16 June 2021 |
| Margie Hill | | Appointed 18 August 2021 |
| Richard Smith | | Appointed 26 April 2023 |
| Elizabeth (Liddy) Clark | | Appointed 26 April 2023 |

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 year and to the date of this report are:

| | |
|----------------|--|
| Michael Brown | Chair |
| Qualifications | Bachelor of Education, Business Commerce |
| Experience | Michael has extensive experience in the corporate and elite sports management sectors as a Chief Executive, mentor, leader and facilitator. Michael's impressive work resume includes roles as CEO of the Hawthorn Football Club (1998 2002), CEO AFC Asian Cup in 2015 and Rugby League World Cup 2017. Michael was Deputy CEO/General Manager of Cricket at Cricket Australia 2002 2012. Michael is an Adjunct Professor at the University of Queensland and at Deakin University where he chairs the prestigious Sports Advisory Board. Michael is Chair of Bastion Collective, an internationally recognized marketing agency and Business and Strategy consultant at Ticketmaster Australia and NZ. Michael is a Justice of the Peace, and he also played more than 150 VFA games with Williamstown and Brunswick and was a member of Williamstown's 1976 Premiership team. |

Directors' Report

30 June 2023

Information on directors

| | |
|--------------------|--|
| Scott Davies | Deputy Chair |
| Qualifications | Master of Enterprise (Business), Associate Diploma Valuations, Certificate of Business Studies in Real Estate |
| Experience | Scott joined the Reclink board in May 2016 and has served more than 38 years in the commercial property industry, fulfilling a wide range of business operations and management roles. For the last 13 years Scott has been responsible for the property investment and asset management activities of the Bennelong and Taverners groups, two private family interests that have extensive philanthropic Foundation activities. Scott is the father of 4 children, the immediate past President of Yachting Victoria, and a former State President of the Property Council of Australia. |
| Peter Cullen AM | Founder (Non Voting Member Effective 22 November 2022) |
| Qualifications | Member of the Order of Australia |
| Experience | Peter originally trained for the Catholic priesthood and then worked with the homeless and disadvantaged for 15 years at the Sacred Heart Mission in St Kilda. While there, Peter founded the Mission's sports and recreation program, football team and the Dine with the Champions fundraiser. After 12 years as a volunteer and President of Reclink Australia, Peter took on the role of National Development Manager in 2005 and now has responsibility for the development of the national network. Peter has received numerous awards including the Sports Chaplaincy Australia Award for Compassion in Sport (2011), the Sri Chinmoy Torch Bearer Award (2008), Sports Star of the Year (Southern Region Services to Sport 2001) and the Tattersall's Award for Enterprise and Achievement (1997). |
| Kaanji Skandakumar | Treasurer - Appointed 5 July 2022 - Chair of Finance Audit and Risk Committee |
| Qualifications | Graduate Certificate in Management (Social Impact), Bachelor of Commerce (Major in Accounting, Business Law), Member of Chartered Accountants Australia and New Zealand, Chartered Professional Accountant – California Board of Accountancy |
| Experience | Kaanji joined the Reclink Finance Audit and Risk Committee in June 2021 and was appointed to the Reclink board in July 2022. Kaanji is an accounting professional licensed in both Australia and California, with over 15 years of experience. She has extensive audit experience working at both big 4 and mid tier firms during her career. She has also accounting experience in the arts, serving the Melbourne Symphony Orchestra as their accountant. Kaanji currently works at Deloitte providing consulting services to a range of government and private clients. |
| Theresa Sgambaro | |
| Qualifications | Masters of Laws (Legal Practice, Skills and Ethics), Bachelor of Business (Accounting), Diploma of Financial Services (Financial Planning) |
| Experience | Theresa is a practising lawyer and accountant, and served as a community member of the Victorian Adult Parole Board from 2000 to 2007. In 2003 Theresa was awarded the Centenary Medal for voluntary services to the community via active participation in community organisations addressing issues of socio economic disadvantage, access to justice and community safety. |

Directors' Report

30 June 2023

Information on directors

Marnie Gibson

Qualifications

Doctorate of Business Administration, Master of Human Resource Management, Bachelor of English, Graduate Diploma in Business

Experience

Marnie Gibson has built her professional career in Human Resources Management across many sectors including professional services, FMCG, retail, financial services and government. Marnie currently leads the EVP and OD national functions for PwC Australia and previously has both global and regional HR roles with deep expertise in the APAC landscape. Prior to working in HR, Marnie studied at both the Western Australian Academy of Performing Arts and the Victorian College of the Arts and holds a huge passion for the arts. She continues her dedication in this area through industry participation and her role on the board at Reclink. Marnie has previous experience as a Board member of arts organisations.

Cameron Hannebery

Qualifications

Master of Laws, Bachelor of Laws, Bachelor of Arts, LIV Accredited Special in Criminal Law

Experience

Cameron joined the Reclink board in February 2020 and has practiced as a solicitor in Victoria for 19 years. In that time he has had a broad range of experience having worked extensively as a solicitor advocate for several criminal law firms before employment as a Senior Associate with Deacons lawyers, in house counsel at Telstra and now as Special Counsel with Lander & Rogers. Throughout the entirety of his career, he has practiced almost exclusively in the area of criminal law and, since 2007, he has focused on occupational health and safety law.

David Emerson

Qualifications

Graduate Certificate in Marketing, Graduate Diploma in Education, Bachelor of Applied Science, Physical Education

Experience

David has a lifetime association with sport, having represented Victoria in cricket and hockey, held executive roles with Edge Sports Marketing and the Victorian Cricket Association, and 21 years in executive roles in marketing and commercial operations at the Collingwood Football Club. David is currently the Director of Stadia and Community at the Collingwood Football Club and Executive Director of the Collingwood Football Club Foundation.

Melissa Brown

Qualifications

Master of Business in International Business, Bachelor of Business in Marketing

Experience

Melissa Brown is based in Perth, Western Australia and is the Marketing & Communications Manager for global cyber security company Sapien Cyber. Prior to this Melissa was based in San Francisco as the Global CMO for Talent, a tech recruitment business operating in Australia, Americas and Europe. Before moving to San Francisco Melissa was based in Hong Kong as the Head of Marketing for Telstra's international operations. In these roles she has been responsible for overseeing marketing strategy development and implementation aligned to various sales divisions. Melissa held the position of CEO at the Australian UK Chamber of Commerce, formerly known as Australian Business. She remained on the Board until December of 2011. Melissa has also worked in a number of management roles at companies including Australian Associated Press, Continental Airlines and Thomas Cook.

Directors' Report

30 June 2023

Information on directors

| | |
|-------------------------|---|
| Margie Hill | Appointed 18 August 2021 |
| Qualifications | Bachelor of Economics, Master of Environment Studies, Master of Labour Law and Relations |
| Experience | Margie has over 25 years of experience in executive roles in human resource management, most recently as Head of People and Culture with Frontier Advisors. Prior to taking up corporate roles, Margie worked in social policy and program management roles for the Australian and South Australian governments. This included several years working in social housing policy and management, and as Deputy Director of the Australian Government's Affirmative Action Agency (now the Workplace Gender Equality Agency). Margie's areas of expertise cover human resource strategy and management, organisational design, change management, and corporate governance. She has worked across a diverse range of industry sectors including banking and superannuation, professional services, energy, and government. |
| Richard Smith | Appointed 26 April 2023 |
| Qualifications | Bachelor Arts, Certificate 1V Training & Assessment |
| Experience | <p>Richard brings demonstrated experience in executive leadership, communications & stakeholder engagement to the Reclink board from leading high performance teams across major events, tourism, sports and government sectors. Most recently, Richard was responsible for partnerships and capability at Australia Post following a previous 10 year period successfully running his own marketing and communications consulting practice.</p> <p>As a marketing and communications executive with high profile organisations such as Australian Grand Prix Corporation, Melbourne & Olympic Parks Trust and Department Premier & Cabinet, he also brings a strong focus on the three key pillars of business, community and strategy to the board and looks forward to helping grow the reach and brand awareness of Reclink especially with key stakeholders in corporate and government sectors.</p> <p>On weekends, sport and family are very closely linked for Richard as he cheers on his daughters playing for Old Brighton FC in the VAFA.</p> |
| Elizabeth (Liddy) Clark | Appointed 26 April 2023 |
| Qualifications | Bachelor of Writing & Publishing; Graduate Certificate in Mediation |
| Experience | <p>Liddy's formative years were spent as an actor both here and overseas before entering the world of politics. Liddy is a former member and minister in the Queensland Parliament.</p> <p>She has worked effectively in communication, management and leadership across local government, corporate and not-for-profit sectors and has extensive experience in governance. Liddy is an active mentor for women in leadership positions.</p> <p>Liddy is passionate about cricket as a player, committee vice president, coach, and umpire. She has played a pivotal role in promoting girls and women's cricket at the grassroots level.</p> <p>She is a founding member of the Ethics and Content Committee for Victorian Aboriginal News.</p> |

Directors' Report

30 June 2023

Review of operations

The surplus of the Company amounted to \$145,091 (2022: \$132,079).

Principal activities

The principal activity of Reclink Australia during the financial year was the provision of sport, recreation, arts and work readiness participation opportunities to the disadvantaged. with the outcomes of social inclusion, improved physical health and improved mental health.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Deliver sustainable sport, recreation and arts programs and pathways to employment to disadvantaged Australians;
- Demonstrate thought leadership through research on the benefits of participation in sport, recreation and arts programs for people experiencing disadvantage and create community awareness of Reclink Australia's sport and recreation participation programs;
- Represent member agencies at state and national levels on sport and recreation participation for people experiencing disadvantage; and
- Identify new and emerging business opportunities and funding streams to deliver financially sustainable programs to people experiencing disadvantage including people with a disability.

Long term objectives

The Company's long term objectives are to:

- Improve the social inclusion, physical health and mental health of individuals through their participation in sport, recreation and arts programs, and pathways to employment, and
- Provide the opportunity for access and participation in more sport, recreation and arts programs to more people experiencing disadvantage across Australia.

Strategy for achieving the objectives

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

- Delivering program outcomes in accordance with funded service contracts; and
- Effectively and efficiently managing the organisations financial and other resources to ensure objectives are achieved.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Central to Reclink Australia's mission is the provision of affordable, accessible and meaningful sport, recreation and arts programs to people experiencing disadvantage across Australia; and
- The delivery of the organisations principle activities are linked to service and funding agreements with Federal and State governments.

Performance measures

The following measures are used within the Company to monitor performance:

- Fortnightly Cash Flow Reports;
- Monthly Financials and Profit and Loss Statement Reports;
- Monthly State/Territory Income/Expenditure Reports;

Directors' Report

30 June 2023

Performance measures

- Fundraising/events budget Reports;
- Participation Statistics per services and funding agreements;
- Annual Membership Survey;
- Client / Service User satisfaction/feedback; and
- Client case studies.

Members' guarantee

Reclink Australia 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 members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$110 (2022:110).

Directors' Report
30 June 2023

Meetings of directors

Attendances by each director during the year were as follows:

| | Directors' Meetings | | Finance, Audit and Risk Committee | | People and Culture Committee | | Commercial and Fundraising Committee | |
|--------------------|---------------------------|-----------------|-----------------------------------|-----------------|------------------------------|-----------------|--------------------------------------|-----------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Michael Brown | 6 | 6 | - | - | - | - | - | - |
| Scott Davies | 3 | 3 | - | - | - | - | 2 | 1 |
| Kaanji Skandakumar | 6 | 6 | 4 | 4 | - | - | - | - |
| Peter Cullen AM | 6 | 5 | - | - | - | - | 3 | 3 |
| Theresa Sgambaro | 3 | 1 | - | - | - | - | - | - |
| Marnie Gibson | 6 | 6 | - | - | 5 | 5 | - | - |
| Cameron Hannebery | 6 | 5 | 4 | 4 | - | - | - | - |
| David Emerson | 6 | 6 | - | - | - | - | 3 | 2 |
| Melissa Brown | 6 | 6 | - | - | - | - | 3 | 3 |
| Margie Hill | 6 | 5 | - | - | 5 | 4 | - | - |
| Richard Smith | 2 | 2 | - | - | - | - | 1 | - |
| Liddy Clark | 2 | 1 | - | - | - | - | 1 | 1 |

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60 of the *Australian Charities and Not-for-profit Commission Act 2012*, for the year ended 30 June 2023 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:



Chair:
 Michael Brown



Director:
 Kaanji Skandakumar

Dated 19 October 2023

Reclink Australia

ABN : 53 046 843 443

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 to the Directors of Reclink Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

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



ACCRU MELBOURNE (AUDIT) PTY LTD



R A LANE
Director

19 October 2023

50 Camberwell Road
Hawthorn East VIC 3123

Statement of Comprehensive Income
For the Year Ended 30 June 2023

| | Note | 2023 | 2022 |
|--|-------------|--------------------|-------------|
| | | \$ | \$ |
| Revenue | 2 | 10,573,458 | 7,329,768 |
| Other income | | 3,000 | - |
| Employee benefits expense | | (5,899,316) | (4,697,087) |
| Depreciation and amortisation expense | | (116,476) | (148,560) |
| Sport & Recreation | | (1,337,136) | (688,410) |
| Arts & Wellbeing | | (18,853) | (7,992) |
| Events & fundraising | | (460,568) | (483,470) |
| Employment & Training | | (2,141,897) | (610,720) |
| Other expenses | | (451,018) | (435,508) |
| Interest expense | | (6,103) | (11,478) |
| Surplus for the year | | 145,091 | 246,543 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 145,091 | 246,543 |

Statement of Financial Position

As At 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|-------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 7,947,708 | 7,820,603 |
| Trade and other receivables | 4 | 298,143 | 110,312 |
| Inventories | | 4,230 | 4,237 |
| Other assets | 5 | 193,190 | 43,532 |
| TOTAL CURRENT ASSETS | | <u>8,443,271</u> | <u>7,978,684</u> |
| NON-CURRENT ASSETS | | | |
| Other assets | 5 | 139,491 | 99,993 |
| Right-of-use assets | 6 | 58,477 | 193,403 |
| Property, plant and equipment | 7 | 94,643 | 86,616 |
| TOTAL NON-CURRENT ASSETS | | <u>292,611</u> | <u>380,012</u> |
| TOTAL ASSETS | | <u>8,735,882</u> | <u>8,358,696</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 509,369 | 686,220 |
| Employee benefits | 10 | 483,782 | 396,939 |
| Lease liabilities | 6 | 62,653 | 116,037 |
| Other liabilities | 9 | 4,822,885 | 4,366,771 |
| TOTAL CURRENT LIABILITIES | | <u>5,878,689</u> | <u>5,565,967</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 10 | 26,079 | 13,151 |
| Lease liabilities | 6 | - | 93,555 |
| TOTAL NON-CURRENT LIABILITIES | | <u>26,079</u> | <u>106,706</u> |
| TOTAL LIABILITIES | | <u>5,904,768</u> | <u>5,672,673</u> |
| NET ASSETS | | <u>2,831,114</u> | <u>2,686,023</u> |
| EQUITY | | | |
| Accumulated Surplus | | <u>2,831,114</u> | <u>2,686,023</u> |
| TOTAL EQUITY | | <u>2,831,114</u> | <u>2,686,023</u> |

The accompanying notes form part of these financial statements.

Reclink Australia

ABN : 53 046 843 443

Statement of Changes in Equity
For the Year Ended 30 June 2023

| | Accumulated surplus |
|---|--------------------------------|
| | \$ |
| Balance at 1 July 2022 | 2,686,023 |
| Total comprehensive income for the year | 145,091 |
| Balance at 30 June 2023 | 2,831,114 |
| | Accumulated surplus |
| | \$ |
| Balance at 1 July 2021 | 2,439,480 |
| Total comprehensive income for the year | 246,543 |
| Balance at 30 June 2022 | 2,686,023 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2023

| | 2023 | 2022 |
|---|---------------------------|-------------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts in the course of operations | 10,989,606 | 9,967,689 |
| Payments in the course of operations | (10,801,080) | (6,907,415) |
| Interest received | 78,198 | 6,705 |
| Interest paid | (6,103) | (11,478) |
| Net cash provided by (used in) operating activities | 14 <u>260,621</u> | <u>3,055,501</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payment for plant and equipment | (15,992) | (8,123) |
| Proceeds from sale of plant and equipment | 3,000 | - |
| Net cash used by investing activities | <u>(12,992)</u> | <u>(8,123)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment for lease liabilities | (120,524) | (117,528) |
| Net cash used by financing activities | <u>(120,524)</u> | <u>(117,528)</u> |
| Net increase (decrease) in cash held | 127,105 | 2,929,850 |
| Cash and cash equivalents at beginning of year | <u>7,820,603</u> | <u>4,890,753</u> |
| Cash and cash equivalents at end of financial year | 3 <u><u>7,947,708</u></u> | <u><u>7,820,603</u></u> |

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial statements are for Reclink Australia as a not-for-profit company limited by guarantee, registered and domiciled in Australia.

1 Summary of Significant Accounting Policies

Basis of Preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(b) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from contracts with customers

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

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

Membership fees

Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue from projects and events

Revenue from organising and hosting events is recognised in the period in which the events are held.

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Interest revenue

Interest is recognised using the effective interest method.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(d) 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.

(e) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

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

Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(e) Property, Plant and Equipment

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------------|--------------------------|
| Plant and Equipment | 10% - 100% |
| Motor Vehicles | 20% |

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Leases

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

This involves an assessment of whether:

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

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(g) Leases

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be 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 twelve months 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Economic dependence

A significant portion of the company's revenue is obtained from government grants and funding. The company is economically dependent on continued government funding to maintain its future operations.

(j) Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

Notes to the Financial Statements
For the Year Ended 30 June 2023

| | 2023 | 2022 |
|--|-------------------|------------------|
| | \$ | \$ |
| 2 Revenue | | |
| Operating grants | 8,859,444 | 5,903,424 |
| Projects and events | 693,325 | 783,500 |
| Membership subscriptions | 82,708 | 34,625 |
| Interest received | 78,198 | 6,705 |
| Donations | 54,209 | 134,110 |
| Other income | 805,574 | 467,404 |
| Total Revenue | 10,573,458 | 7,329,768 |
| 3 Cash and cash equivalents | | |
| Cash at bank | 3,139,089 | 2,097,478 |
| Short-term bank deposits | 4,808,619 | 5,723,125 |
| | 7,947,708 | 7,820,603 |
| 4 Trade and other receivables | | |
| CURRENT | | |
| Trade receivables | 287,177 | 98,112 |
| Other receivables | 10,966 | 12,200 |
| | 298,143 | 110,312 |
| 5 Other assets | | |
| CURRENT | | |
| Prepayments | 44,865 | 37,935 |
| Accrued income | 148,325 | 5,597 |
| | 193,190 | 43,532 |
| NON-CURRENT | | |
| Portable long service leave asset | 139,491 | 99,993 |
| 6 Right-of-use assets and lease liabilities | | |
| (a) Right-of-use assets | | |
| Buildings | 485,418 | 529,515 |
| Accumulated depreciation | (426,941) | (336,112) |
| Total | 58,477 | 193,403 |

Notes to the Financial Statements
For the Year Ended 30 June 2023

| | 2023 | 2022 |
|---|---------------|----------------|
| | \$ | \$ |
| 6 Right-of-use assets and lease liabilities | | |
| (b) Lease liabilities | | |
| Lease liabilities - current | 62,653 | 116,037 |
| Lease liabilities - non-current | - | 93,555 |
| Total | <u>62,653</u> | <u>209,592</u> |
| (c) Statement of comprehensive income | | |
| The amounts recognised in the statement of comprehensive income relating to leases where the Company is a lessee are shown below: | | |
| Depreciation of right-of-use assets | 108,509 | 115,044 |
| Interest expense on lease liabilities | 6,103 | 11,478 |
| 7 Property, plant and equipment | | |
| PLANT AND EQUIPMENT | | |
| Furniture, fixtures and fittings | | |
| At cost | 60,370 | 60,370 |
| Accumulated depreciation | (59,969) | (59,569) |
| Total furniture, fixtures and fittings | <u>401</u> | <u>801</u> |
| Motor vehicles | | |
| At cost | 225,499 | 233,042 |
| Accumulated depreciation | (206,472) | (208,613) |
| Total motor vehicles | <u>19,027</u> | <u>24,429</u> |
| Office equipment | | |
| At cost | 121,493 | 122,734 |
| Accumulated depreciation | (61,517) | (62,409) |
| Total office equipment | <u>59,976</u> | <u>60,325</u> |
| Computer equipment | | |
| At cost | 48,934 | 32,942 |
| Accumulated depreciation | (33,695) | (31,881) |
| Total computer equipment | <u>15,239</u> | <u>1,061</u> |
| Total property, plant and equipment | <u>94,643</u> | <u>86,616</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, plant and equipment

Movements in Carrying Amounts

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

| | Furniture, Fixtures and Fittings | Motor Vehicles | Office Equipment | Computer Equipment | Total |
|---------------------------------------|--|-------------------|---------------------|-----------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 June 2023 | | | | | |
| Balance at the beginning of year | 801 | 24,429 | 60,325 | 1,061 | 86,616 |
| Additions | - | - | - | 15,992 | 15,992 |
| Depreciation expense | (400) | (5,402) | (349) | (1,814) | (7,965) |
| Balance at the end of the year | 401 | 19,027 | 59,976 | 15,239 | 94,643 |

8 Trade and other payables

| | 2023 | 2022 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 91,056 | 75,220 |
| GST payable/(receivable) | 212,498 | 414,800 |
| Sundry payables and accrued expenses | 205,815 | 196,200 |
| | 509,369 | 686,220 |

9 Other liabilities

| | | |
|------------------------------|------------------|------------------|
| Government grants in advance | 4,822,885 | 4,362,221 |
| Deferred income | - | 4,550 |
| | 4,822,885 | 4,366,771 |

10 Employee Benefits

| | | |
|--------------------|----------------|----------------|
| CURRENT | | |
| Long service leave | 127,094 | 86,766 |
| Annual leave | 356,688 | 310,173 |
| | 483,782 | 396,939 |
| NON-CURRENT | | |
| Long service leave | 26,079 | 13,151 |

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$571,358 (2021: \$593,776).

12 Auditors' Remuneration

| | | |
|-----------------------------------|--------|--------|
| Auditing the financial statements | 16,800 | 16,000 |
|-----------------------------------|--------|--------|

Notes to the Financial Statements For the Year Ended 30 June 2023

13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

14 Cash Flow Information

| | | |
|--|------------------|------------------|
| Reconciliation of result for the year to cashflows from operating activities | | |
| Surplus for the year | 145,091 | 246,543 |
| Non-cash flows in surplus/(deficit): | | |
| - depreciation | 116,476 | 148,560 |
| - net loss/(gain) on disposal of plant and equipment | (3,000) | 2,273 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (187,831) | (58,689) |
| - (increase)/decrease in other assets | (189,156) | (62,777) |
| - (increase)/decrease in inventories | 7 | (1,357) |
| - increase/(decrease) in trade and other payables | (176,851) | 457,981 |
| - increase/(decrease) in income in advance | 456,114 | 2,252,367 |
| - increase/(decrease) in employee benefits | 99,771 | 70,600 |
| Cashflow from operations | 260,621 | <u>3,055,501</u> |

15 Events after the end of the Reporting Period

The financial report was authorised for issue on the date of signing these financial statements 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.

16 Company Details

The registered office of the company is:
115B Ferrars Street
South Melbourne VIC 3205

Responsible Persons' Declaration

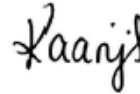
The directors of the Company are the responsible persons and the responsible persons declare that:

1. The financial statements and notes, as set out on pages 9 to 20, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:
 - a. comply with Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profit Commission Regulations 2013*; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the responsible persons' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Chair
Michael Brown



Director
Kaanji Skandakumar

Dated 19 October 2023

Reclink Australia

Independent Audit Report to the members of Reclink Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Reclink Australia (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company is 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 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



**R A LANE
Director**

19 October 2023