

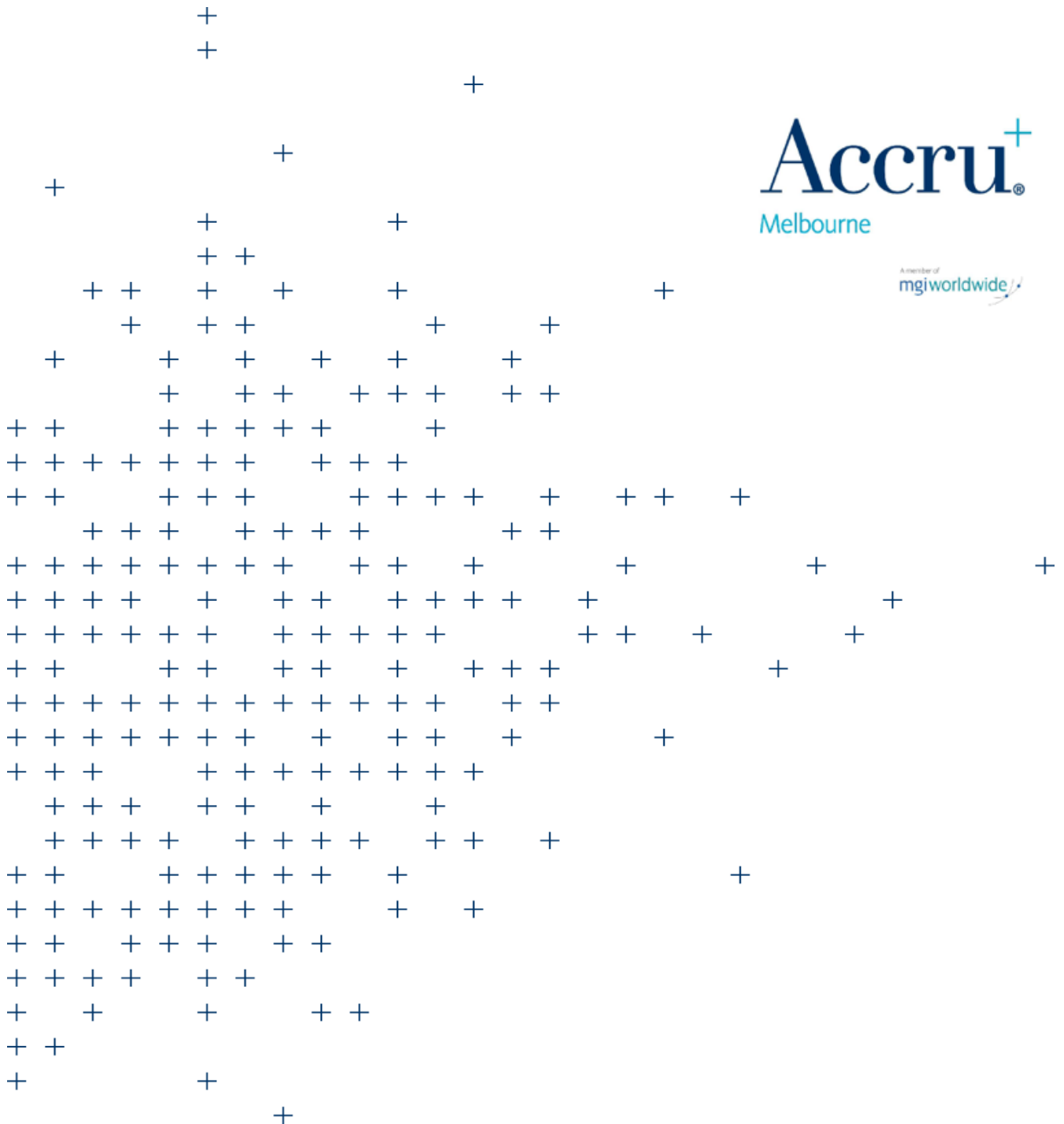


RECLINK AUSTRALIA
ABN: 53 046 843 443

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



Member of
mgeworldwide



Reclink Australia

ABN : 53 046 843 443

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For the Year Ended 30 June 2022

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Directors' Report

30 June 2022

The directors present their report on Reclink Australia for the financial year ended 30 June 2022.

Directors

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

Names	Position	Appointed/Resigned
Michael Brown	Chair	
Scott Davies	Deputy Chair	
Peter Cullen AM	Founder	
Karla Harman		
Theresa Sgambaro	Treasurer	
Marnie Gibson		
Cameron Hannebery		
David Emerson		Appointed 21 October 2020
Melissa Brown		Appointed 16 June 2021
Margie Hill		Appointed 18 August 2021
Kaanji Skandakumar		Appointed 5 July 2022

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

Information on directors

The names of each person who has been a director during the 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.
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.

Directors' Report

30 June 2022

Information on directors

Peter Cullen AM

Qualifications

Experience

Founder

Member of the Order of Australia

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).

Karla Harman

Qualifications

Experience

Bachelor of Business, Economics and Finance with Distinction and a Master of Applied Finance

Karla Harman joined the Reclink Board in 2014 as an experienced financial services professional. Karla is currently a Principal Consultant with Frontier Advisors focused on the provision of investment and strategy advice to not-for-profits, endowments and superannuation funds. Karla has previously held positions with the Institutional Sales Team at Macquarie Services (Australia), Nimico Capital Ltd (London) and W.I.N. Pty Ltd financial planning. Karla enjoys tennis, watching AFL and participating in various sports with her two children.

Theresa Sgambaro

Qualifications

Experience

Treasurer

Masters of Laws (Legal Practice, Skills and Ethics), Bachelor of Business (Accounting), Diploma of Financial Services (Financial Planning)

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.

Marnie Gibson

Qualifications

Experience

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

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.

Directors' Report

30 June 2022

Information on directors

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 2022

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.
Kaanji Skandakumar	Appointed 5 June 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.

Review of operations

The surplus of the Company amounted to \$246,543 (2021: \$905,970).

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.

Directors' Report

30 June 2022

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;
- 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 2022 the collective liability of members was \$110 (2021: \$100).

Business Impact of COVID-19

The World Health Organisation announced that the coronavirus disease (COVID19) had become a pandemic on 11 March 2020. The Company has developed policies and procedures to address the health and wellbeing of employees. The timing, extent of the impact and recovery from COVID19 on our employees, customers and suppliers is unknown at this stage. At this stage, there has been no significant impact on the financial position and results of the Company, however, the full impact of the COVID19 outbreak continues to evolve as at the date of this report. As such, the Company is unable to estimate the full effects of the COVID19 outbreak on the Company's financial position, however at the date of this report no significantly detrimental impact on liquidity and operations occurred during the 2021 financial year and none is foreseen in the 2022 financial year.

Directors' Report 30 June 2022

Meetings of directors

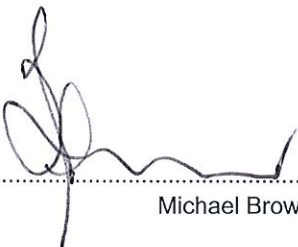
Attendances by each director during the year were as follows:

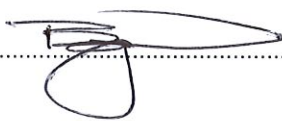
	Directors' Meetings		Finance, Audit and Risk Committee		People and Culture Committee		Commercial and Fundraising Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Michael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

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 2022 has been received and can be found on page 7 of the financial report.

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

Chair: 
Michael Brown

Director: 

Dated 19 October 2022

Laany S

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 2022, 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 2022

50 Camberwell Road
Hawthorn East VIC 3123

Reclink Australia

ABN : 53 046 843 443

**Statement of Comprehensive Income
For the Year Ended 30 June 2022**

	Note	2022	2021
		\$	\$
Revenue	2	7,329,768	7,150,409
Employee benefits expense		(4,697,087)	(3,347,727)
Depreciation and amortisation expense		(148,560)	(143,118)
Sport & Recreation		(688,410)	(517,524)
Arts & Wellbeing		(7,992)	(6,888)
Events & fundraising		(483,470)	(81,774)
Employment & Training		(610,720)	(1,870,696)
Other expenses		(435,508)	(261,311)
Interest expense		(11,478)	(15,401)
Surplus for the year		246,543	905,970
Other comprehensive income for the year		-	-
Total comprehensive income for the year		246,543	905,970

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	7,820,603	4,890,753
Trade and other receivables	4	110,312	51,623
Inventories		4,237	2,880
Other assets	5	43,532	28,863
TOTAL CURRENT ASSETS		<u>7,978,684</u>	4,974,119
NON-CURRENT ASSETS			
Other assets	5	99,993	51,885
Right-of-use assets	6	193,403	255,406
Property, plant and equipment	7	86,616	112,778
TOTAL NON-CURRENT ASSETS		<u>380,012</u>	420,069
TOTAL ASSETS		<u>8,358,696</u>	5,394,188
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	686,220	228,239
Employee benefits	10	396,939	336,978
Lease liabilities	6	116,037	92,075
Other liabilities	9	4,366,771	2,114,404
TOTAL CURRENT LIABILITIES		<u>5,565,967</u>	2,771,696
NON-CURRENT LIABILITIES			
Employee benefits	10	13,151	2,512
Lease liabilities	6	93,555	180,500
TOTAL NON-CURRENT LIABILITIES		<u>106,706</u>	183,012
TOTAL LIABILITIES		<u>5,672,673</u>	2,954,708
NET ASSETS		<u>2,686,023</u>	2,439,480
EQUITY			
Accumulated Surplus		<u>2,686,023</u>	2,439,480
TOTAL EQUITY		<u>2,686,023</u>	2,439,480

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 2022

	Accumulated surplus
	\$
Balance at 1 July 2021	<u>2,439,480</u>
Total comprehensive income for the year	<u>246,543</u>
Balance at 30 June 2022	<u><u>2,686,023</u></u>
	Accumulated surplus
	\$
Balance at 1 July 2020	<u>1,533,510</u>
Total comprehensive income for the year	<u>905,970</u>
Balance at 30 June 2021	<u><u>2,439,480</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts in the course of operations	9,967,689	5,387,116
Payments in the course of operations	(6,907,415)	(6,780,316)
Interest received	6,705	14,539
Interest paid	(11,478)	(15,401)
Net cash provided by (used in) operating activities	14 <u>3,055,501</u>	<u>(1,394,062)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for plant and equipment	<u>(8,123)</u>	<u>(2,989)</u>
Net cash used by investing activities	<u>(8,123)</u>	<u>(2,989)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment for lease liabilities	<u>(117,528)</u>	<u>(79,122)</u>
Net cash used by financing activities	<u>(117,528)</u>	<u>(79,122)</u>
Net increase (decrease) in cash held	2,929,850	(1,476,173)
Cash and cash equivalents at beginning of year	<u>4,890,753</u>	<u>6,366,926</u>
Cash and cash equivalents at end of financial year	3 <u><u>7,820,603</u></u>	<u><u>4,890,753</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 2022

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

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

(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 2022

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 2022

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 2022

	2022	2021
	\$	\$
2 Revenue		
Operating grants	5,903,424	5,827,045
Projects and events	783,500	7,334
Membership subscriptions	34,625	56,603
Interest received	6,705	14,539
Donations	134,110	21,638
COVID-19 government stimulus - JobKeeper	-	884,500
COVID-19 other government stimulus	-	47,502
Other income	467,404	291,248
Total Revenue	7,329,768	7,150,409
3 Cash and cash equivalents		
Cash at bank	2,097,478	402,645
Short-term bank deposits	5,723,125	4,488,108
	7,820,603	4,890,753
4 Trade and other receivables		
CURRENT		
Trade receivables	98,112	51,123
Other receivables	12,200	500
	110,312	51,623
5 Other assets		
CURRENT		
Prepayments	37,935	28,863
Accrued income	5,597	-
	43,532	28,863
NON-CURRENT		
Portable long service leave asset	99,993	51,885
6 Right-of-use assets and lease liabilities		
(a) Right-of-use assets		
Buildings	529,515	476,474
Accumulated depreciation	(336,112)	(221,068)
Total	193,403	255,406

Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
6 Right-of-use assets and lease liabilities		
(b) Lease liabilities		
Lease liabilities - current	116,037	92,075
Lease liabilities - non-current	93,555	180,500
Total	209,592	272,575
(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	115,044	92,875
Interest expense on lease liabilities	11,478	15,401
7 Property, plant and equipment		
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	60,370	60,370
Accumulated depreciation	(59,569)	(55,749)
Total furniture, fixtures and fittings	801	4,621
Motor vehicles		
At cost	233,042	235,315
Accumulated depreciation	(208,613)	(189,348)
Total motor vehicles	24,429	45,967
Office equipment		
At cost	122,734	122,734
Accumulated depreciation	(62,409)	(62,385)
Total office equipment	60,325	60,349
Computer equipment		
At cost	32,942	24,819
Accumulated depreciation	(31,881)	(22,978)
Total computer equipment	1,061	1,841
Total property, plant and equipment	86,616	112,778

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 2022					
Balance at the beginning of year	4,621	45,967	60,349	1,841	112,778
Additions	-	-	-	8,123	8,123
Disposals - written down value	-	(2,273)	-	-	(2,273)
Depreciation expense	(3,820)	(19,265)	(24)	(8,903)	(32,012)
Balance at the end of the year	801	24,429	60,325	1,061	86,616

8 Trade and other payables

	2022 \$	2021 \$
CURRENT		
Trade payables	75,220	54,019
GST payable/(receivable)	414,800	38,117
Sundry payables and accrued expenses	196,200	136,103
	686,220	228,239

9 Other liabilities

Government grants in advance	4,362,221	2,114,404
Deferred income	4,550	-
	4,366,771	2,114,404

10 Employee Benefits

CURRENT		
Long service leave	86,766	78,890
Annual leave	310,173	258,088
	396,939	336,978
NON-CURRENT		
Long service leave	13,151	2,512

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$593,776 (2021: \$292,919).

12 Auditors' Remuneration

Auditing the financial statements	16,000	15,300
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Notes to the Financial Statements For the Year Ended 30 June 2022

13 Contingencies

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

14 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities		
Surplus for the year	246,543	905,970
Non-cash flows in surplus/(deficit):		
- depreciation	148,560	143,118
- net loss on disposal of plant and equipment	2,273	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(58,689)	(25,768)
- (increase)/decrease in other assets	(62,777)	116,163
- (increase)/decrease in inventories	(1,357)	2,841
- increase/(decrease) in trade and other payables	457,981	(449,329)
- increase/(decrease) in income in advance	2,252,367	(2,103,143)
- increase/(decrease) in employee benefits	70,600	16,086
Cashflow from operations	<u>3,055,501</u>	<u>(1,394,062)</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

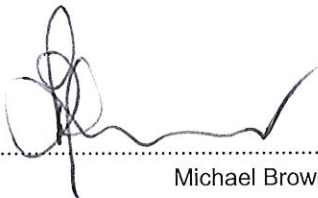
The registered office of the company is:
115B Ferrars Street
South Melbourne VIC 3205

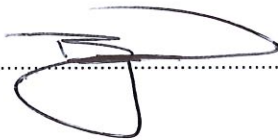
Responsible Persons' Declaration

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 8 to 19, 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 2022 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


Dated 19 October 2022



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 2022, 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 2022 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 2022