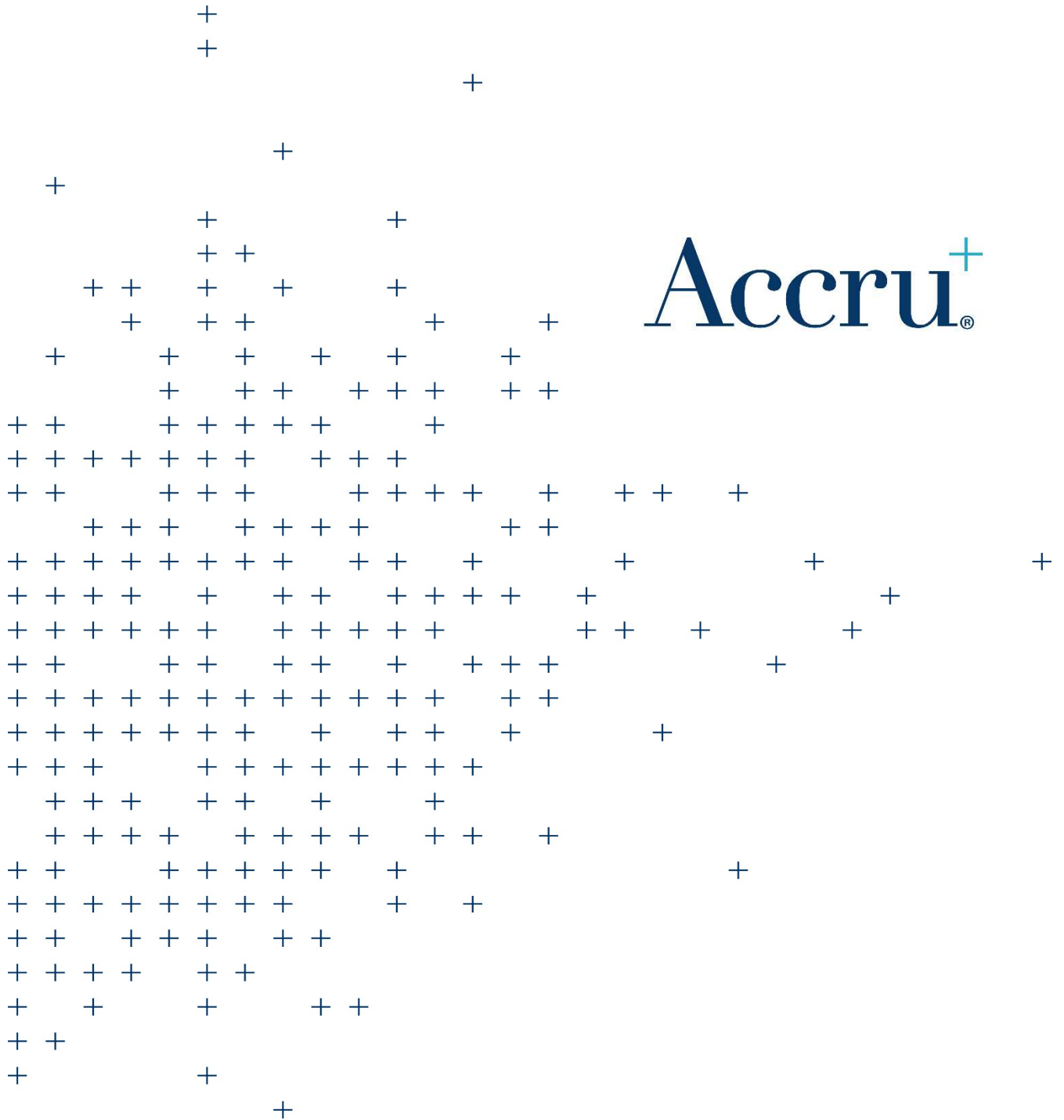


RECLINK AUSTRALIA
ABN: 53 046 843 443

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020



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Contents

For the Year Ended 30 June 2020

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Directors' Report

30 June 2020

The directors present their report on Reclink Australia for the financial year ended 30 June 2020.

Directors

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

Names	Position	
Michael Brown	Chair	
Scott Davies	Deputy Chair	
Peter Cullen AM	Founder	
Karla Harman		
Theresa Sgambaro	Treasurer	
Laura Kane		
Jack Watts		Resigned 17 October 2019
Marnie Gibson		
Cameron Hannebery		Appointed 19 February 2020
Grant Hansen		Appointed 24 June 2020
Mark Hardgrave		Resigned 6 November 2019

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	Chairperson
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 35 years in the commercial property industry, fulfilling a wide range of business operations and management roles. For the last 8 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 2020

Information on directors

Peter Cullen AM

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).

Karla Harman

Qualifications

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

Experience

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

Treasurer

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.

Laura Kane

Qualifications

Bachelor of Laws (LLB) (Hons)

Experience

Laura brings substantive experience and leadership as a qualified Lawyer with 2 years of legal practice and as a head coach of various (AFL) teams across Victoria. In 2013 Laura was an Australian of the Year Nominee for her leadership, volunteer commitment and involvement in community football in Victoria. Laura holds the positions of President, Melbourne University Women's Football Club and Board member, Melbourne University Football Club. In April 2016 Laura was appointed Manager, Women's Football and Talent Pathways, North Melbourne Football Club. In 2017 she was promoted to the position of NMFC's (AFL) Football Operations Manager

Directors' Report

30 June 2020

Information on directors

Jack Watts

Qualifications

Bachelor of Commerce

Experience

Jack brings significant business, commercial, communications and marketing expertise in delivering success for major brands and organisations across Australia as the CEO of Bastion Collective. Jack founded Bastion Collective with his brother and father in 2009 and has since grown the business to employ over 150 people in Melbourne, Sydney and LA and work with some of Australia's most iconic corporate brands, sports, arts and entertainment organisations. Jack has been involved with Reclink Australia programs since 2009 and has assisted as Assistant Coach of the Collingwood Knights.

Marnie Gibson

Qualifications

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

Experience

Marnie joined the Board of Reclink in May 2019. Marnie has built her professional career in Human Resources Management across many sectors including FMCG, retail, financial services, and government. Marnie currently holds a strategic global HR role in the chemicals and mining industry with Incite Pivot Ltd. Having studied at both Western Australian Academy of Performing Arts and the Victorian College of the Arts she also holds a huge passion for the arts and 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.

Grant Hansen

Experience

Grant Hansen is best known as the creative genius behind the three times Logie nominated show for Best Sports Program, The Marngrook Footy Show, broadcasted nationally on NITV and SBS. Grant is a pioneer in Indigenous media production, historical Aboriginal rights' movements and the creator of the only nationally broadcasted AFL show. Grant is on the national Dreamtime Awards selection panel, that acknowledges excellence in Indigenous Arts around the nation, a board member of the First Australians Media Enterprises (formerly known as SEIMA), with past and ongoing associations on the Australian Council Indigenous Arts board, National Indigenous Television (NITV) board, City of Melbourne Indigenous Arts board and was the former Chair, CEO and founding member of Songlines Music Aboriginal Corporation.

Reclink Australia

ABN : 53 046 843 443

Directors' Report

30 June 2020

Information on directors

Mark Hardgrave

Qualifications

Bachelor of Commerce ACA MAICD

Experience

Mark is an experienced corporate adviser and investment professional having worked with a number of large investment groups and family offices throughout his career. He is currently a Director of M&A Partners, a Melbourne based private investment and corporate finance group. He is also a non executive Director of Traffic Technologies Limited and Rivercorp Land and Water Limited. His sporting interest include golf, tennis and cycling and was a former rugby union referee.

Review of operations

The surplus of the Company amounted to \$395,894 (2019: \$339,455 surplus).

Directors' Report

30 June 2020

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.

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:

- Deliver more sport, recreation and arts programs to more people experiencing disadvantage across Australia; and
- Achieve improved health and wellbeing outcomes for all individuals through participation in sport, recreation and arts programs and pathways to employment.

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.

Directors' Report

30 June 2020

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 2020 the collective liability of members was \$100 (2019: \$100).

Business Impact of COVID-19

The World Health Organisation announced that the coronavirus disease (COVID-19) 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 COVID-19 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 COVID-19 outbreak continues to evolve as at the date of this report. As such, the Company is unable to estimate the full effects of the COVID-19 outbreak on the Company's financial position, however at the date of this report no significantly detrimental impact on liquidity and operations is foreseen in the 2021 financial year.

Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit and Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Michael Brown	8	7	-	-
Scott Davies	8	8	-	-
Karla Harman	8	8	-	-
Peter Cullen AM	8	8	1	1
Theresa Sgambaro	8	8	1	1
Laura Kane	8	7	-	-
Jack Watts	2	-	-	-
Marnie Gibson	8	8	-	-
Cameron Hannebery	4	4	-	-
Grant Hansen	1	1	-	-
Mark Hardgrave	3	2	1	1

Directors' Report

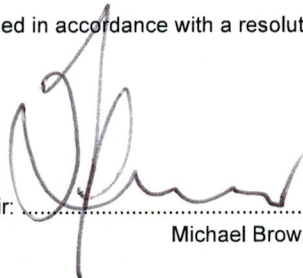
30 June 2020

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 2020 has been received and can be found on page 8 of the financial report.

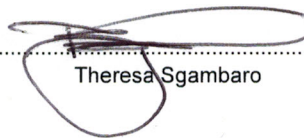
Signed in accordance with a resolution of the Board of Directors:

Chair:



Michael Brown

Treasurer:



Theresa Sgamaro

Dated 23 September 2020

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 2020, 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

23 September 2020

50 Camberwell Road
Hawthorn East VIC 3123

Statement of Comprehensive Income
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Revenue	2 7,304,340	6,856,754
Employee benefits expense	(5,544,083)	(4,903,610)
Depreciation and amortisation expense	(154,029)	(49,876)
Sport	(477,441)	(432,720)
Performing arts	(6,406)	(8,830)
Health & well being	(765)	(519)
Passive recreational	(10,412)	(15,367)
Events & fundraising	(110,079)	(389,062)
Access for all abilities	(11,585)	(16,243)
Other expenses	(575,902)	(701,072)
Interest expense	(17,744)	-
Surplus for the year	395,894	339,455
Other comprehensive income for the year	-	-
Total comprehensive income for the year	395,894	339,455

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	6,366,926	5,473,912
Trade and other receivables	4	25,855	96,848
Inventories		5,721	-
Other assets	5	145,026	100,584
TOTAL CURRENT ASSETS		6,543,528	5,671,344
NON-CURRENT ASSETS			
Property, plant and equipment	7	160,032	132,680
Right-of-use assets	6	376,164	-
TOTAL NON-CURRENT ASSETS		536,196	132,680
TOTAL ASSETS		7,079,724	5,804,024
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	625,683	543,745
Employee benefits	10	322,415	351,982
Other liabilities	9	4,217,547	3,764,500
Lease liabilities		98,800	-
TOTAL CURRENT LIABILITIES		5,264,445	4,660,227
NON-CURRENT LIABILITIES			
Employee benefits	10	989	6,181
Lease liabilities		280,780	-
TOTAL NON-CURRENT LIABILITIES		281,769	6,181
TOTAL LIABILITIES		5,546,214	4,666,408
NET ASSETS		1,533,510	1,137,616
EQUITY			
Accumulated Surplus		1,533,510	1,137,616
TOTAL EQUITY		1,533,510	1,137,616

The accompanying notes form part of these financial statements.

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Accumulated surplus	Total
	\$	\$
Balance at 1 July 2019	1,137,616	1,137,616
Total comprehensive income for the year	395,894	395,894
Balance at 30 June 2020	1,533,510	1,533,510

2019

	Accumulated surplus	Total
	\$	\$
Balance at 1 July 2018	798,161	798,161
Total comprehensive income for the year	339,455	339,455
Balance at 30 June 2019	1,137,616	1,137,616

Statement of Cash Flows
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts in the course of operations	8,479,957	8,445,783
Payments in the course of operations	(7,438,009)	(7,130,625)
Interest received	46,775	60,384
Interest paid	(17,744)	-
Net cash provided by (used in) operating activities	13 <u>1,070,979</u>	<u>1,375,542</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for plant and equipment	<u>(81,071)</u>	<u>(55,873)</u>
Net cash used by investing activities	<u>(81,071)</u>	<u>(55,873)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment for lease liabilities	<u>(96,894)</u>	-
Net cash used by financing activities	<u>(96,894)</u>	-
Net increase (decrease) in cash held	893,014	1,319,669
Cash and cash equivalents at beginning of year	<u>5,473,912</u>	<u>4,154,243</u>
Cash and cash equivalents at end of financial year	3 <u><u>6,366,926</u></u>	<u><u>5,473,912</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

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

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) 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*.

(d) 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 2020

1 Summary of Significant Accounting Policies

(d) 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).

(e) 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.

(f) 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 2020

1 Summary of Significant Accounting Policies

(f) 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:

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.

(g) 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.

(h) 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 2020

1 Summary of Significant Accounting Policies

(h) 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.

(i) 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.

(j) 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.

(k) 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. Except for the adoption of AASB 16, the adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

AASB 16 Leases (Annual reporting periods beginning on or after 1/7/2019)

The Company has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16, recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(k) Adoption of new and revised accounting standards

The Company has recognised a lease liability and right of use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under AASB 117: Leases where the Company is the lessee. The lease liabilities are measured at the present value of the remaining lease payments. An average borrowing rate as at 1 July 2019 of 4% was used to discount the lease payments.

The right of use assets for equipment were measured at their carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Group's incremental borrowing rate per lease term as at 1 July 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by Company in applying AASB 16 for the first time:

- leases that have a remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The adoption of AASB 16 led to recognition of right of use assets and lease liabilities of \$476,474 as at 1 July 2019 and had no effect on opening retained earnings.

AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not for Profit Entities (Annual reporting periods beginning on or after 1/7/2019).

The Company has adopted AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not for Profit Entities which have replaced AASB 118: Revenue and AASB 1004: Contributions. Adoption of AASB 15 and AASB 1058 has not led to any material changes to the recognition and measurement of balances and transactions and have only impacted the relevant accounting policies.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
2 Revenue		
Interest received	46,775	60,384
Projects and events	184,399	753,116
Membership subscriptions	57,330	50,050
Operating grants	6,537,144	5,756,531
Other government grants	225,000	-
Other income	253,692	236,673
Total Revenue	7,304,340	6,856,754
3 Cash and cash equivalents		
Cash at bank	2,419,775	1,245,793
Short-term bank deposits	3,947,151	4,228,119
	6,366,926	5,473,912
4 Trade and other receivables		
CURRENT		
Trade receivables	25,455	91,768
Other receivables	400	5,080
	25,855	96,848
5 Other assets		
CURRENT		
Prepayments	34,026	100,584
Accrued income	111,000	-
	145,026	100,584
6 Leases		
Right-of-use assets		
	Buildings	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	476,474	476,474
Depreciation charge	(100,310)	(100,310)
Balance at end of year	376,164	376,164

Notes to the Financial Statements

For the Year Ended 30 June 2020

2020	2019
\$	\$

6 Leases

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	(100,310)	-
Interest expense on lease liabilities	(17,744)	-
	<u>(118,054)</u>	<u>-</u>

7 Property, plant and equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost	60,370	60,370
Accumulated depreciation	(50,322)	(44,895)
Total furniture, fixtures and fittings	<u>10,048</u>	<u>15,475</u>

Motor vehicles

At cost	235,315	211,224
Accumulated depreciation	(149,101)	(106,334)
Total motor vehicles	<u>86,214</u>	<u>104,890</u>

Office equipment

At cost	119,744	64,582
Accumulated depreciation	(58,847)	(55,132)
Total office equipment	<u>60,897</u>	<u>9,450</u>

Computer equipment

At cost	24,819	23,001
Accumulated depreciation	(21,946)	(20,136)
Total computer equipment	<u>2,873</u>	<u>2,865</u>

Total property, plant and equipment

	<u>160,032</u>	<u>132,680</u>
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Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Property, plant and equipment

(a) 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 2020					
Balance at the beginning of year	15,475	104,890	9,450	2,865	132,680
Additions	-	24,091	55,162	1,818	81,071
Depreciation expense	(5,427)	(42,767)	(3,715)	(1,810)	(53,719)
Balance at the end of the year	10,048	86,214	60,897	2,873	160,032

8 Trade and other payables

	2020 \$	2019 \$
CURRENT		
Trade payables	68,026	157,030
GST payable/(receivable)	354,623	144,714
Sundry payables and accrued expenses	203,034	242,001
	625,683	543,745

9 Other liabilities

Government grants in advance	4,217,547	3,764,500
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10 Employee Benefits

CURRENT		
Long service leave	89,238	76,339
Annual leave	233,177	275,643
	322,415	351,982
NON-CURRENT		
Long service leave	989	6,181

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$422,298 (2019:\$315,474).

12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
13 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities		
Surplus for the year	395,894	339,455
Non-cash flows in surplus/(deficit):		
- depreciation	154,029	49,876
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	70,993	(60,995)
- (increase)/decrease in other assets	(44,442)	(57,498)
- (increase)/decrease in inventories	(5,721)	-
- increase/(decrease) in trade and other payables	81,938	69,800
- increase/(decrease) in income in advance	453,047	946,715
- increase/(decrease) in employee benefits	(34,759)	88,189
Cashflow from operations	<u>1,070,979</u>	<u>1,375,542</u>

14 Events after the end of the Reporting Period

The financial report was authorised for issue on 23 September 2020 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.

15 Company Details

The registered office of the company is:

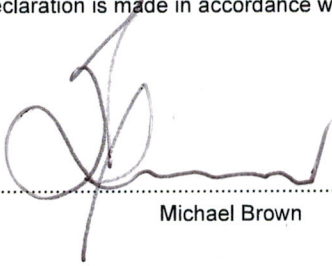
115B Ferrars Street
South Melbourne VIC 3205

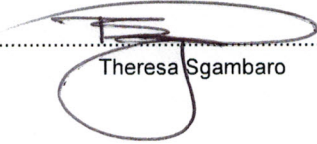
Responsible Persons' Declaration

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 21, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements 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 2020 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

Treasurer

Theresa Sgambaro

Dated 23 September 2020

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 2020, 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 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 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

23 September 2020