

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

ABN: 29 153 546 368

Financial Statements

For the Year Ended 31 December 2019

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

ABN: 29 153 546 368

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For the Year Ended 31 December 2019

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Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Directors' Report

31 December 2019

The directors present their report on Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub for the financial year ended 31 December 2019.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ruth Rayner	Chairperson
Qualifications	Certificate IV workplace Trainer and Assessor; Graduate Diploma Computer Education (Secondary); Diploma Physical Education and TSTC English
Experience	Ruth has recently retired after 46 years teaching in Victorian State schools in both the city and the country. Her most recent position was working in a Year 7 team teaching Humanities and IT in a multicultural school in Keysborough. Ruth has held many and varied roles in Student Management, Staff Professional Development and Head of Department. She lives locally, is an active volunteer at the Hub and a member of the Southern Peninsula VIEW club.
Amanda Hegarty	Director (Appointed 19 August 2019)
Qualifications	Bachelor of Arts Management Communication (Public Relation) Deakin; Diploma of Leadership & Management FM Edge; Certificate IV in Leadership & Management FM Edge; Certificate IV in Training & Assessment HBA; Certificate IV in Frontline Management Pinnacle Training Solutions; Certificate IV in Business Administration Pinnacle Training Solutions; Certificate IV in Education Support BRACE; Certificate IV in Hospitality Supervision National Workplace Training
Experience	Currently the Director of Bayside Events Pty Ltd. In her career to date Amanda has worked and reported to Boards in both the Private and Not for profit sectors. As the General Manager of Pinnacle Solutions Pty Ltd Amanda has demonstrated an ability to provide strategic direction, support and governance required for best practice which resulted in being invited to the board meetings for all four Hannan Group of companies which included Vive Consulting, Hannan IT and Friday Media. Further, fulfilling a contract role as National Operations Manager of Texskills Ltd Amanda demonstrated the capability to continually seek and capitalise on opportunities to increase the satisfaction of stakeholders by developing an understanding of their key drivers to the tune of 1.7 million; an attribute recognised by the Board of Directors who extended an ongoing request for her presence at monthly board meetings. Finally, in a contract role as Resource and Culture Manager at Vative Pty Ltd Amanda attended board meetings by invitation; more frequently at the time of the Board appointing a CEO.

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Directors' Report

31 December 2019

Information on directors

Sinclair Thomas	Treasurer
Qualifications	Degree in Business Administration and Economics. Tier 1 accredited in General Advice and Superannuation; Accredited in Mortgage Lending and Services
Experience	Currently the Bank Manager at the Commonwealth Bank of Australia Rosebud with 18 years' experience. Worked in the service industry for the last 25 years; Work at the CBA since 2000 in various roles and as a Branch Manager for the last 7 years. Also hold a position on the Finance Committee with St Thomas the apostle Catholic church Clyde North. Play Cricket and Hockey as a hobby.
Dr Robert Barnes	Director
Qualifications	BA, MA, MLitt, PhD, S F Fin [Senior Fellow – Financial Services Institute of Australasia]
Experience	Board member – Athenaeum Club and Royal Historical Society of Victoria. CEO for 20 years – Australian Institute of Bankers, Municipal Association of Victoria, Royal Australian Chemical Institute. Justice of the Peace. Bail Justice for 20 years 1990-2010. President Nepean Historical Society, Sorrento 2006-2012; Pilot for 30 years flying single and twin engine aircraft, incl. P51 Mustang.
Verity Moore	Public Officer
Qualifications	Diploma of Kindergarten Teaching - Kindergarten Teachers College, Kew, Victoria; Post Graduate in Special Education – Institute of Early Childhood Development, Kew, Victoria; Post Graduate in Recreation – Phillip Institute, Bundoora, Victoria; Honors in Recreation – Charles Sturt University – Albury, NSW; Advanced Certificate in Genealogical Studies – Toronto University, Toronto, Canada
Experience	Kindergarten committees as Kindergarten Director and parent Multiple Sclerosis Fund Raising Kindergarten Teachers Development & Support Kindergarten & Primary School Teachers for the development of Integration programs Playgrounds & Recreation Association of Victoria Templestowe Valley Probus Club Southern Peninsula Family History Society
Jack (John) Carter	Secretary
Qualifications	Qualified Electrical Engineer B.Sc. Commissioned British Army 1967 Royal Artillery Reserve Forces
Experience	Worked on various Construction Projects around U.K. with Matthew Hall & Co. Ltd. and others. Resigned Commission 1980 Relocated to Australia as Project Manager with Matthew Hall Mechanical Svcs. Pty Ltd. On Melbourne Underground Rail Loop 1980-1983 Project Manager No.6 Recovery Boiler. APM. Pty.Ltd. 1983-1984 Senior Engineer Santos Natural Gas Project Moomba Sth. Australia 1984-1985. Joined Chubb Fire National Contracts Manager/State Manager Vic & Tas 1985-1992. Founded my own Company A.F.E.(Aust) Pty.Ltd. Electrical & Mechanical Svcs. 1992 - 2013 Retired 2013.

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Directors' Report

31 December 2019

Information on directors

Andrew Bayliss	(Resigned 20 May 2019)
Qualifications	BA,LLB, MCommLaw
Experience	Arts/Law graduate and Masters of Commercial Law (Deakin), Andrew is currently undertaking MBA through Griffith University. Working in general legal practice as manager of Powell Bayliss Lawyers at 1 Southbank Blvd, Southbank, Andrew was admitted to the Supreme Court of Victoria in 2004. He undertakes pro bono work for various community organisations including Peninsula Community Legal Centre.
Peter Mellett	(Resigned 20 May 2019)
Qualifications	Cert IV Advertising, AAIA
Experience	Business Owner. Marketing committee member of a major national company

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

Principal activities

The principal activity of Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub during the financial year was to operate a community service operation.

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

Members' guarantee

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ NIL for members that are corporations and \$ NIL for all other members, subject to the provisions of the company's constitution.

At 31 December 2019 the collective liability of members was \$ NIL (2018: \$ NIL).

Future developments and results

COVID 19 Impact

Looking ahead Seawinds Community Hub can see COVID 19 having direct financial impacts on our accounting estimates prepared by management in 2019 (the Budget). We can already see significant impacts on our assumptions including projected cash flows, used in the development of the Budget have been affected by the COVID-19 event.

The Board anticipates the impacts may include:

- increased costs in regard to some items and services
- reduced demand for café, catering, childcare and room hire
- the unknown duration of the impact.

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Directors' Report

31 December 2019

Future developments and results

The Board are hopeful however that the government assistance available in the Job Keeper allowance and other assistance available to support free childcare and kindergarten will help to minimise the impact.

Meetings of directors

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

Directors' Meetings		
	Number eligible to attend	Number attended
Andrew Bayliss	4	2
Sinclair Thomas	10	5
Ruth Rayner	10	10
Dr Robert Barnes	10	9
Verity Moore	10	9
Jack (John) Carter	10	8
Peter Mellett	4	-
Amanda Hegarty	5	5

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 5 of the financial report.

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

Director: Ruth Rayner

Director: Verity Moore

Dated this 30th day of April 2020

**ROSEBUD WEST COMMUNITY HUB LTD T/AS SEAWINDS COMMUNITY HUB
ABN: 29 153 546 368**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ROSEBUD WEST COMMUNITY HUB LTD T/AS SEAWINDS COMMUNITY HUB**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

JTP Assurance
JTP ASSURANCE
Chartered Accountants

Sam Claringbold
SAM CLARINGBOLD
Partner

Signed at Melbourne this 30th day of April 2020

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Sales revenue	6	1,277,421	1,277,686
Operating expenses		(54,673)	(62,302)
Other income	6	2,224	1,000
Marketing expenses		(959)	(160)
Occupancy costs		(58,627)	(43,739)
Employee expenses		(945,189)	(889,598)
Professional fees		(5,701)	(5,515)
Administration expenses		(148,675)	(236,339)
Depreciation and Amortisation		(22,948)	(12,112)
Profit before income tax		42,873	28,921
Income tax expense		-	-
Profit for the year		42,873	28,921
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		42,873	28,921

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The accompanying notes form part of these financial statements.

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	254,972	247,019
Trade and other receivables	9	26,271	33,207
TOTAL CURRENT ASSETS		281,243	280,226
NON-CURRENT ASSETS			
Property, plant and equipment	10	77,764	87,543
TOTAL NON-CURRENT ASSETS		77,764	87,543
TOTAL ASSETS		359,007	367,769
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	69,831	54,172
Employee benefits	13	28,255	41,124
Other financial liabilities	12	11,495	70,517
TOTAL CURRENT LIABILITIES		109,581	165,813
NON-CURRENT LIABILITIES			
Employee benefits	13	19,505	14,908
TOTAL NON-CURRENT LIABILITIES		19,505	14,908
TOTAL LIABILITIES		129,086	180,721
NET ASSETS		229,921	187,048
EQUITY			
Reserves		62,272	62,272
Retained earnings		167,649	124,776
TOTAL EQUITY		229,921	187,048

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The accompanying notes form part of these financial statements.

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Statement of Changes in Equity

For the Year Ended 31 December 2019

2019

	Retained Earnings	Kindergarten Equity	Total
Note	\$	\$	\$
Balance at 1 January 2019	124,776	62,272	187,048
Profit/ (loss) for the year	42,873	-	42,873
Other comprehensive income for the period	-	-	-
Balance at 31 December 2019	167,649	62,272	229,921

2018

	Retained Earnings	Kindergarten Equity	Total
Note	\$	\$	\$
Balance at 1 January 2018	95,855	62,272	158,127
Profit/ (loss) for the year	28,921	-	28,921
Other comprehensive income for the period	-	-	-
Balance at 31 December 2018	124,776	62,272	187,048

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The accompanying notes form part of these financial statements.

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,221,931	1,217,354
Payments to suppliers and employees	(1,203,033)	(1,233,363)
Interest received	2,224	1,000
Net cash provided by/(used in) operating activities	16 <u>21,122</u>	<u>(15,009)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(13,169)</u>	(38,866)
Net cash provided by/(used in) investing activities	<u>(13,169)</u>	<u>(38,866)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	7,953	(53,875)
Cash and cash equivalents at beginning of year	<u>247,019</u>	300,894
Cash and cash equivalents at end of financial year	8 <u><u>254,972</u></u>	<u>247,019</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The accompanying notes form part of these financial statements.

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

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Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub as an individual entity. Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors' opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Grants - Operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer

Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15 which has resulted in deferral of revenue for these monies.

Grants - Capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where the Company has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Company and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

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 Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue from contracts with customers

For current year

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

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

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

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(c) **Goods and services tax (GST)**

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

(d) **Volunteer services**

No amounts are included in the financial statements for services donated by volunteers.

(e) **Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	5-40% straight line
Low Value Asset Pool	37.5% reducing balance

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) **Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period have been

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(h) Employee benefits

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. Changes in the measurement of the liability are recognised in profit or loss.

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2019

5 Retrospective restatement of comparative figures

The comparative figures have been changed to reflect an error in classification in the prior period. An internal recharge between departments was included within the financial statements and has now been restated. This restatement has no effect on the prior period profit from continuing operations.

The aggregate effect of the error on the annual financial statements for the year ended 31 December 2019 is as follows:

	Previously stated \$	31 December 2018 Adjustments \$	Restated \$
Statement of Profit or Loss and Other Comprehensive Income			
Revenue	1,299,686	(22,000)	1,277,686
Cost of sales	(89,595)	22,000	(67,595)

6 Revenue and Other Income

Revenue from continuing operations

	2019 \$	2018 \$
- Kindergarten Revenue	216,075	234,448
- Hub Revenue	332,573	282,416
- Daycare Revenue	673,488	613,518
- Other Revenue	55,285	147,304
Total Revenue	1,277,421	1,277,686

	2019 \$	2018 \$
Other Income		
- Interest income	2,224	1,000

7 Result for the Year

The result for the year includes the following specific expenses:

	2019 \$	2018 \$
Other expenses:		
Employee benefit expenses	870,308	827,972
Depreciation expenses	22,948	12,112
Auditors remuneration	4,250	4,250
Superannuation contributions	74,826	61,626

Notes to the Financial Statements

For the Year Ended 31 December 2019

8 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	253,758	165,722
Short-term deposits	1,214	81,117
Other cash and cash equivalents	-	180
	<u>254,972</u>	<u>247,019</u>

9 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	26,706	28,994
Provision for impairment	(6,599)	(3,195)
	<u>20,107</u>	<u>25,799</u>
GST receivable	5,048	5,167
Other receivables	1,116	516
Prepayments	-	1,725
	<u>-</u>	<u>1,725</u>
Total current trade and other receivables	<u>26,271</u>	<u>33,207</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

10 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

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

	Hub Plant and Equipment \$	Hub Low Value Pool \$	Kinder Plant and Equipment \$	Kinder Low Value Pool \$
Year ended 31 December 2019				
Balance at the beginning of year	16,409	1,863	22,194	719
Additions	10,418	2,112	-	-
Depreciation expense	(12,010)	(3,014)	(2,510)	(250)
	<u>14,817</u>	<u>961</u>	<u>19,684</u>	<u>469</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

10 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

	Daycare Plant and Equipment \$	Daycare Low Value Pool \$	Total \$
Year ended 31 December 2019			
Balance at the beginning of year	45,242	1,116	87,543
Additions	-	639	13,169
Depreciation expense	(4,663)	(501)	(22,948)
Balance at the end of the year	40,579	1,254	77,764

	Hub Plant and Equipment \$	Hub Low Value Pool \$	Kinder Plant and Equipment \$	Kinder Low Value Pool \$
Year ended 31 December 2018				
Balance at the beginning of year	12,046	1,851	20,909	1,364
Additions	7,781	1,327	3,560	344
Depreciation expense	(3,418)	(1,315)	(2,275)	(989)
Balance at the end of the year	16,409	1,863	22,194	719

	Daycare Plant and Equipment \$	Daycare Low Value Pool \$	Total \$
Year ended 31 December 2018			
Balance at the beginning of year	22,153	2,466	60,789
Additions	25,511	343	38,866
Depreciation expense	(2,422)	(1,693)	(12,112)
Balance at the end of the year	45,242	1,116	87,543

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

ABN: 29 153 546 368

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	52,148	49,414
Sundry payables and accrued expenses	6,657	4,004
Other payables	-	754
Auspice funds	11,026	-
	<u>69,831</u>	<u>54,172</u>

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

Auspice funds are held by the company on behalf of community projects. The company receives no benefit from these amounts. The funds are payable to the project leader at their request.

12 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Deferred grant income	8,386	67,062
Deferred income	3,109	3,455
Total	<u>11,495</u>	<u>70,517</u>

13 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Long service leave	9,031	10,582
Annual Leave Provision	19,224	30,542
	<u>28,255</u>	<u>41,124</u>
Non-current liabilities		
Long service leave	19,505	14,908

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 31 December 2019 the number of members was 8 (2018: 8).

Notes to the Financial Statements

For the Year Ended 31 December 2019

15 Contingencies

Contingent Liabilities

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub had the following contingent liabilities at the end of the reporting period:

The Directors note that the company is working through a legal claim that relates to the 2019 financial year. There is no liability on behalf of the company given the potential liability is fully insured against. The Directors do not believe that there will be an additional liability for the company to pay.

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	42,873	28,921
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	22,948	12,112
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	5,692	(15,174)
- (increase)/decrease in other assets	1,244	(3,236)
- increase/(decrease) in trade and other payables	12,925	19,004
- (increase)/decrease in other liabilities	2,734	(951)
- increase/(decrease) in deferred revenue	(59,022)	(60,727)
- increase/(decrease) in employee benefits	(8,272)	5,042
Cashflows from operations	<u>21,122</u>	<u>(15,009)</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

17 Events Occurring After the Reporting Date

COVID 19 Impact

Looking ahead Seawinds Community Hub can see COVID 19 having direct financial impacts on our accounting estimates prepared by management in 2019 (the Budget). We can already see significant impacts on our assumptions including projected cash flows, used in the development of the Budget have been affected by the COVID-19 event.

The Board anticipates the impacts may include:

- increased costs in regard to some items and services
- reduced demand for café, catering, childcare and room hire
- the unknown duration of the impact.

The Board are hopeful however that the government assistance available in the Job Keeper allowance and other assistance available to support free childcare and kindergarten will help to minimise the impact.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

18 Statutory Information

The registered office and principal place of business of the company is:

Rosebud West Community Hub Pty Ltd T/As Seawinds Community
Hub
11a Allambi Avenue
Capel Sound
VIC 3940

Rosebud West Community Hub Pty Ltd T/As Seawinds Community Hub

ABN: 29 153 546 368

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 3 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 3 of the financial statements.
2. In the directors' 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.

Director Ruth Rayner

Director Verity Moore

Dated

30/4/2020

**ROSEBUD WEST COMMUNITY HUB LIMITED T/AS SEAWINDS COMMUNITY HUB
ABN 29 153 546 368****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROSEBUD WEST COMMUNITY HUB LIMITED T/AS SEAWINDS COMMUNITY HUB****Report on the audit of the financial report****Qualified Opinion**

We have audited the accompanying financial report, being a special purpose financial report of Rosebud West Community Hub Limited t/as Seawinds Community Hub, which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of Rosebud West Community Hub Limited t/as Seawinds Community Hub is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Cash from donations and other fundraising activities are a source of revenue for the Company. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from those sources had to be restricted to the amounts recorded in the Company's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and 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 audit opinion.

Responsibilities of those charged with governance 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 *Corporations Act 2001* 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, 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 has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Further information about our responsibilities can be found at <http://www.auasb.gov.au/Home.aspx>

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.

JTP Assurance
JTP ASSURANCE
Chartered Accountants

Sam Claringbold
SAM CLARINGBOLD
Partner

Signed at Melbourne this 30th day of April 2020

