

Rainbow Club Australia Limited

ABN: 96 753 434 862

Financial Report

For the year ended 30 June 2023

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2023

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Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

DIRECTORS' REPORT

The Directors submit the Financial Report of Rainbow Club Australia Limited (the "Company") for the financial year ending 30 June 2023. In order to comply with the provisions of the Australian Charities and Not-for Profits Commissions Act 2012 (ACNC Act), the Directors report as follows:

DIRECTORS

The names of Directors during the financial year ending 30 June 2023 and as at the date of this report are:

Alexandra Finley
Robert Lloyd
Dipen Dhruv
Mark McCormack
Robert McCotter (resigned on 20 August 2023)
John Taplin
Ernie Cirignano
Steven Langan-Stark
Tracey Raso
Matt Harper

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were to provide swimming lessons and social participation activities for children and young adults with a disability. The Company operates in over 40 locations around NSW and QLD.

There has been no significant change to these activities during the year.

OPERATING RESULT

The deficit for the financial year ending 30 June 2022 is \$86,361 (prior year ending 30 June 2022: \$116,143 loss).

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no significant changes in the state of affairs of the Company during the financial year.

SUBSEQUENT EVENTS AFTER BALANCE DATE

No 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.

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2023

DIRECTORS' REPORT continued

REGISTERED OFFICE

The registered office of the Company is Suite 1.02 Level 1, 39-42 Chandos Street, St Leonards, NSW, 2065, Australia.

Signed in accordance with a resolution of the Directors.



Alexandra Finley, President



Robert Lloyd, Vice President

Dated this 13th September 2023

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF RAINBOW CLUB AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2023, 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

.....

Registered Company Auditor

Dated this

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	30/06/2023	30/06/2022
	\$	\$
Revenue		
Continuing Operations		
Membership Fees	2,336,922	1,189,010
Government Subsidies - related to COVID-19 Pandemic	-	154,095
Government Grant Income	82,931	153,774
Grants & Donations	350,603	153,470
Fundraising & Events Income	272,449	319,763
Other Income	8,253	1,534
Total Revenue	<u>3,051,158</u>	<u>1,971,646</u>
Expenditure		
Service Provision & Support Expenses	2,748,282	1,731,026
Staff Training & Development	11,425	44,253
Fundraising & Event Expenses	34,826	45,579
Technology & Systems	109,857	80,755
Depreciation & Amortisation	40,959	56,481
Rental Expenses	9,823	5,942
Other Expenses	182,347	123,753
Total Expenditure	<u>3,137,519</u>	<u>2,087,789</u>
Surplus / (Deficit) Before Income Tax	<u>(86,361)</u>	<u>(116,143)</u>
Income Tax Expense	-	-
Surplus / (Deficit) for the Year	<u>(86,361)</u>	<u>(116,143)</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive Income/(Deficit) for the Year	<u>(86,361)</u>	<u>(116,143)</u>

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

STATEMENT OF FINANCIAL POSITION

	Notes	30/06/2023	30/06/2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	625,975	508,771
Accounts Receivable	3	122,012	55,583
Prepayment and other receivables	4	65,056	14,321
Financial Assets - Held to Maturity	5	1,074,507	768,929
TOTAL CURRENT ASSETS		<u>1,887,550</u>	<u>1,347,605</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	6	24,182	20,011
Intangibles	7	57,544	23,775
TOTAL NON-CURRENT ASSETS		<u>81,726</u>	<u>43,786</u>
TOTAL ASSETS		<u>1,969,275</u>	<u>1,391,391</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	8	73,860	12,130
Other Payables	9	267,476	209,678
Employee Leave Provisions	10	61,185	82,552
Income Received in Advance	11	803,570	240,648
TOTAL CURRENT LIABILITIES		<u>1,206,091</u>	<u>545,009</u>
NON-CURRENT LIABILITIES			
Employee Leave Provisions	10	14,273	11,110
TOTAL NON-CURRENT LIABILITIES		<u>14,273</u>	<u>11,110</u>
TOTAL LIABILITIES		<u>1,220,364</u>	<u>556,119</u>
NET ASSETS		<u>748,911</u>	<u>835,272</u>
EQUITY			
Retained Surplus		748,911	835,272
TOTAL EQUITY		<u>748,911</u>	<u>835,272</u>

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2023

STATEMENT OF CHANGES IN EQUITY

	30/06/2023	30/06/2022
RETAINED SURPLUS	\$	\$
Opening Balance	835,272	951,415
Surplus / (deficit) for the year	(86,361)	(116,143)
Other comprehensive income (loss) for the year	-	-
Closing Balance	<u>748,911</u>	<u>835,272</u>

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2023

STATEMENT OF CASH FLOWS

	Notes	30/06/2023	30/06/2022
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and donors		3,217,077	1,599,965
Receipts from government grants		283,451	57,739
Receipts from government subsidies		-	154,095
Interest Received		8,253	1,534
Payments to suppliers and employees		(3,007,100)	(1,901,043)
Net cash provided by / (used in) Operating Activities	14	<u>501,680</u>	<u>(87,710)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investment - Held to Maturity - Term Deposits		(305,577)	(1,491)
Payments for Property, Plant & Equipment		(22,629)	(25,900)
Payments for Intangible Assets		(56,270)	(23,803)
Net cash provided by / (used in) Investing Activities		<u>(384,476)</u>	<u>(51,194)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE / (DECREASE) IN CASH HELD		117,204	(138,904)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>508,771</u>	<u>647,675</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	2	<u><u>625,975</u></u>	<u><u>508,771</u></u>

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Background

There has been no change to the principal activities of Rainbow Club Australia. There was no change to Rainbow Club Australia's Australian Business Number (ABN), or to its status as a Public Benevolent Institution (PBI) endorsed by the Australian Tax Office (ATO), or to its other ATO endorsed tax concessions.

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. Directors have determined that the Company is not a reporting entity because there are no users dependent on general purpose financial statements, and users of the financial statements are able to obtain additional information to meet their needs. The Company is a not-for-profit entity for reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Charities and Not-for-profits Commission Act 2012. This includes Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards, AASB 1054 Australian Additional Disclosures, and AASB 2019-4 Disclosure in Special Purpose Financial Statements for Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical cost unless otherwise stated in the notes. Material accounting policies adopted in the presentation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report is presented in Australian Dollars which is the Company's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

The preparation of a financial report in conformity with applicable Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The financial statements of the Company for the year ended 30 June 2023 were authorised for issue in accordance with the resolution of the Directors on the 5th September 2023.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sales of Goods

Revenue from sales of goods comprises revenue from the sale of pool safety equipment or merchandise. Revenue is recognised on the point of delivery as this corresponds to the transfer of significant risks and rewards of the ownership of the goods.

Rendering of Services

Fee revenue from rendering of services is recognised when the services are provided.

Interest Revenue

Interest Revenue is recognised on a cash received basis.

Grants & Donations

Grant revenue is recognised in the Statement of Profit and Loss and Comprehensive Income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it the Company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition continued

Other Income

Other income is recognised when it is received or when the right to receive payment is established, subject to the receipt or right to receive being pertinent to current (or prior) reporting periods. Receipt or right to receive of payments relevant to future periods are carried forward as Balance sheet items.

Sale of Non-Current Assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract is signed, subject to all parties sharing equal contractual rights as to enforcement of settlement subsequent to exchange. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Goods and Services Tax

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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the cost of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash Flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Taxation

The Company is a registered charity and is exempt from Income Tax.

Property, Plant and Equipment

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure is only recognised as an asset when the Company controls future economic benefits as a result of the costs incurred, that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Subsequent Additional Costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Company in future years, otherwise they are expensed as incurred.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment continued

All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financials period in which they are incurred.

Useful Lives

All non-current assets have limited useful lives and are depreciated/amortised using either the straight line or diminishing value methods over their estimated useful lives.

Assets are depreciated or amortised from the time the asset held is ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only.

The depreciation/amortisation rates used for each class of asset are as follows:

<i>Class of Asset</i>	<i>Method</i>	2023 <i>Rate</i>	2022 <i>Rate</i>
Office Equipment	Diminishing	67%	67%
Pool Equipment	Diminishing	67%	67%
Software	Straight Line	33%	33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit or Loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivable

Accounts Receivable include amounts due from members, Plan Managers, and from other donors. The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade receivables are usually settled within 60 days.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Assets

The Company classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold-to-maturity.

Intangible Assets

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years. It is assessed annually for impairment.

Accounts Payable and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are unsecured and are normally settled within 30 days.

Employee Entitlements

Wages, Salaries, Annual Leave and Sick Leave

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of estimated future cash outflows to be made resulting from employee's service provided to reporting date. The provision is calculated using expected future increases in wages and salary rates including related on costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation

The Company contributes to employees' superannuation funds in accordance with relevant legislation.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2023	30/06/2022
	\$	\$
2 CASH & CASH EQUIVALENTS		
Cash in Bank Accounts	<u>625,975</u>	<u>508,771</u>
3 ACCOUNTS RECEIVABLE		
Debtors	133,202	21,974
Less: Provision for Doubtful Debts	<u>(11,190)</u>	<u>(4,935)</u>
	<u>122,012</u>	<u>17,039</u>
4 PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	26,086	14,321
Deposits	100	-
GST Net Receivable	<u>38,870</u>	<u>-</u>
	<u>65,056</u>	<u>14,321</u>
5 FINANCIAL ASSETS - HELD TO MATURITY		
<i>Current</i>		
Financial Assets - Held to Maturity - Term Deposits	<u>1,074,507</u>	<u>768,929</u>
6 PROPERTY, PLANT AND EQUIPMENT		
a) Office Equipment	59,289	36,660
Less: Accumulated Depreciation	<u>(35,409)</u>	<u>(17,556)</u>
	<u>23,880</u>	<u>19,104</u>
Reconciliation of Carrying Amount		
Balance at the start of the year	19,104	5,246
Additions	22,629	23,860
Depreciation	(17,853)	(9,989)
Disposals	-	(13)
Balance at the end of the year	<u>23,880</u>	<u>19,104</u>
b) Pool Equipment	2,041	2,041
Less: Accumulated Depreciation	<u>(1,739)</u>	<u>(1,134)</u>
	<u>302</u>	<u>907</u>
Reconciliation of Carrying Amount		
Balance at the start of the year	907	-
Additions	-	2,041
Depreciation	(605)	(1,134)
Disposals	-	-
Balance at the end of the year	<u>302</u>	<u>907</u>
7 INTANGIBLES		
Software	240,652	184,383
Less: Accumulated Amortisation	<u>(183,108)</u>	<u>(160,607)</u>
	<u>57,544</u>	<u>23,775</u>

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2023	30/06/2022
	\$	\$
8 ACCOUNTS PAYABLE		
Trade Creditors	73,860	11,781
Credit Card	-	349
	<u>73,860</u>	<u>12,130</u>
9 OTHER PAYABLES		
PAYG Liability	35,395	22,250
Superannuation Liability	73,681	61,165
Accrued Wages	74,141	60,628
Other Accruals	84,259	65,462
	<u>267,476</u>	<u>209,505</u>
10 EMPLOYEE PROVISIONS		
<i>Current</i>		
Annual Leave Provision	49,726	44,885
Long Service Leave Provision	11,459	37,666
	<u>61,185</u>	<u>82,552</u>
<i>Non-Current</i>		
Long Service Leave Provision	14,273	11,110
	<u>14,273</u>	<u>11,110</u>
11 INCOME RECEIVED IN ADVANCE		
Grants Received in Advance	517,455	208,873
Membership Fees Paid in Advance	235,322	13,590
Other Income Received in Advance	50,793	18,186
	<u>803,570</u>	<u>240,648</u>
12 AUDITOR'S REMUNERATION		
Audit Services:	<u>3,700</u>	<u>3,700</u>
Auditors of the Company:	Charles A Behrens FCA	

13 FINANCIAL REPORTING BY SEGMENTS

The Company operates in one industry, the principal activity being the operation of social swimming clubs.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2023	30/06/2022
	\$	\$
14 NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of cash balances		
Cash as at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents per Statement of Financial Position	<u>625,975</u>	<u>508,771</u>
Cash and Cash Equivalents per Statement of Cash Flow	<u>625,975</u>	<u>508,771</u>
b) Reconciliation of operating surplus / (deficit) after income tax to net cash provided by / (used in) operating activities		
Operating surplus / (deficit) for the year	<u>(86,361)</u>	<u>(116,143)</u>
Add Non-Cash Items:		
Depreciation & Amortisation	40,959	56,481
Property, Plant & Equipment Write-off	-	13
Net cash provided by operating activities before changes in Assets & Liabilities	<u>(45,402)</u>	<u>(59,649)</u>
Changes in Assets & Liabilities		
Decrease/(Increase) in Trade & Other Receivables	(105,299)	(11,898)
Decrease/(Increase) in Prepayments	(11,864)	9,865
Increase/(Decrease) in Trade Creditors & Other Payables	119,528	104,807
Increase/(Decrease) in Provisions	(18,203)	15,580
Increase/(Decrease) in Income in Advance	562,921	(146,415)
Net Cash provided / (used) by Operating activities	<u><u>501,680</u></u>	<u><u>(87,710)</u></u>

15 EVENTS OCCURRING AFTER THE REPORTING DATE

No 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.

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2023

ANNUAL STATEMENTS - TRUE & FAIR DECLARATION

We, Alexandra Finley and Robert Lloyd, being Directos of Rainbow Club Australia Limited (the Company), certify that:

- 1 The statements included in this report give a true and fair view of the financial position and performance of the Company, during and at the end of the financial year ending 30 June 2023,
- 2 There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable, and
- 3 The financial statements and notes satisfy the requirements of the Australian Charities and Not-for Profits Commissions Act 2012 (ACNC Act).



Alexandra Finley, President



Robert Lloyd, Vice President

Dated this 13th September 2023