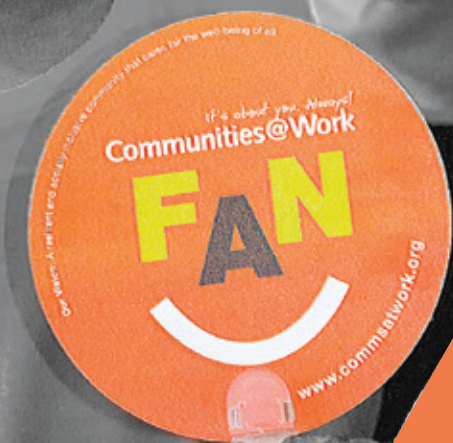
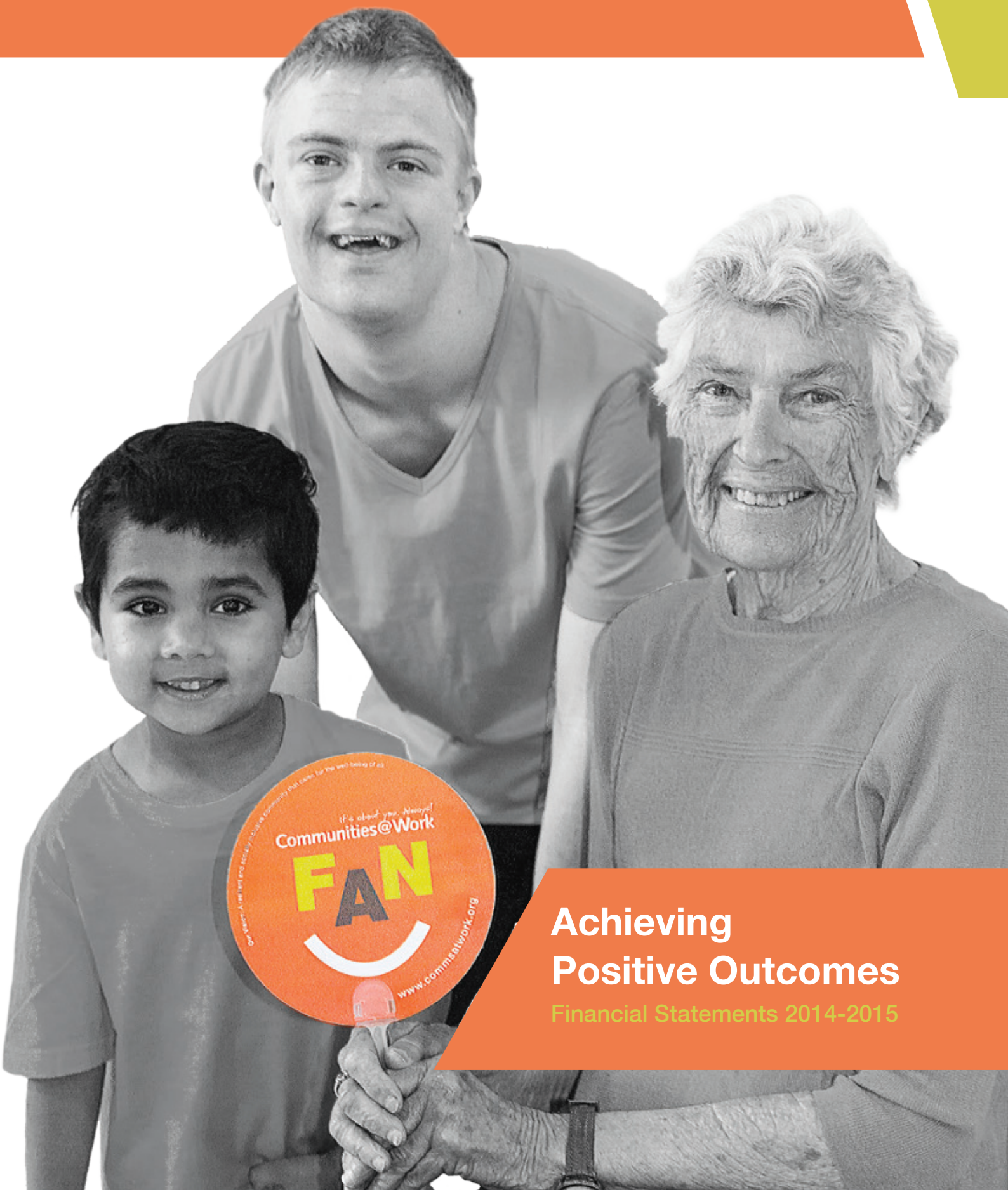


*It's about you. Always!*  
**Communities@Work**

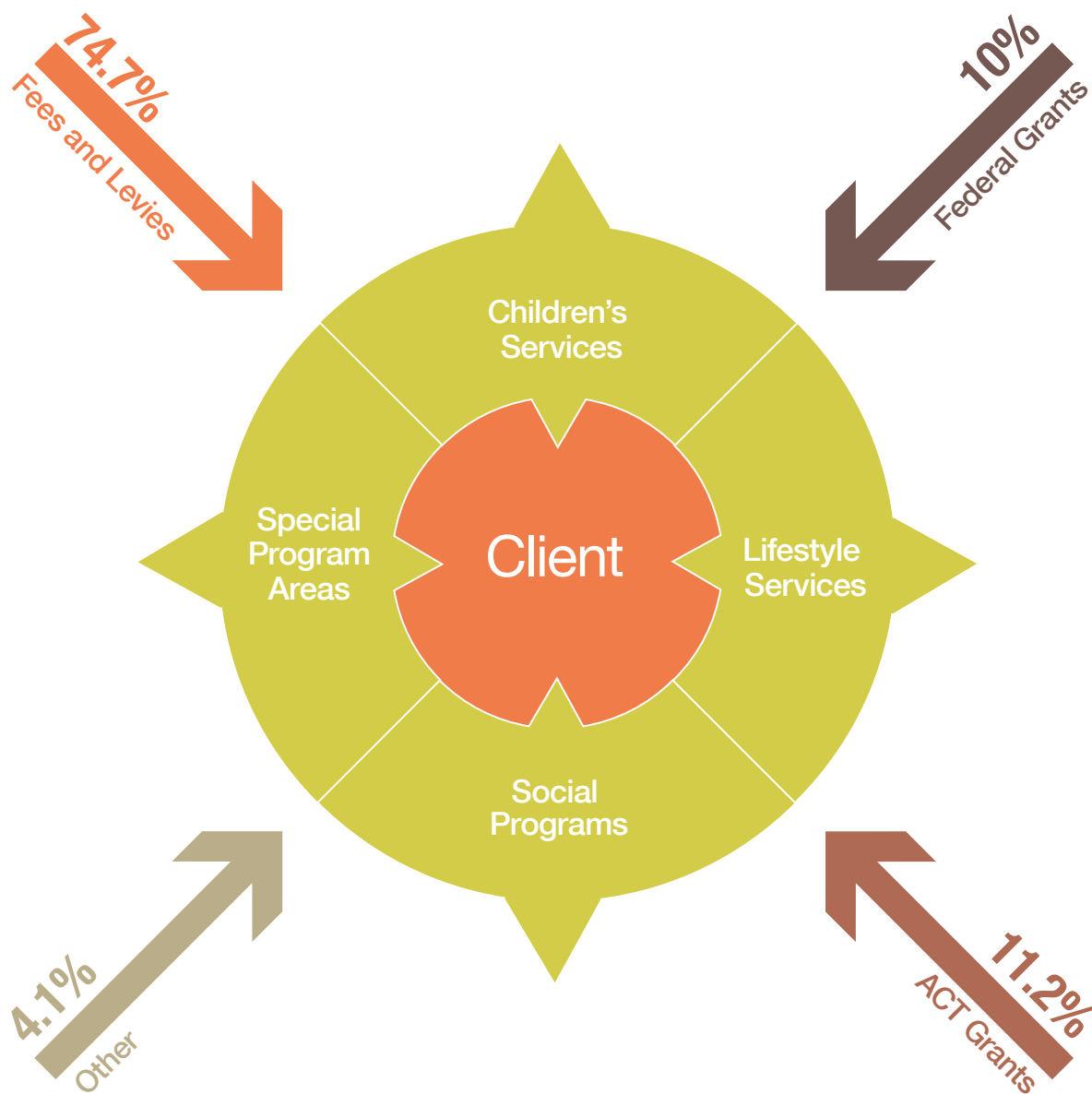


**Achieving  
Positive Outcomes**

Financial Statements 2014-2015

*It's about you. Always!*  
**Communities@Work**

Where the money comes from  
and where the money goes



# Financial Statements

## Our Vision

A resilient and socially inclusive community that cares for the well-being of all.

## Our Mission

To deliver quality community services of social value and practical benefit.

## Our Values

### *Trust, Integrity and Transparency:*

We earn the confidence of the community by embedding these qualities throughout Communities@Work.

### *Respect for All:*

We respect everyone we deal with, care about everyone in the community and value difference and diversity.

### *Flexibility and Responsiveness:*

We are adaptive and agile in pursuing the vision of Communities@Work, with a proactive approach to change and progress.

### *Quality and Innovation:*

We are committed to excellent service delivery, underpinned by continuous improvement and innovation.

### *Affordability and Sustainability:*

We ensure our services are relevant and appropriate as we build our capacity for a sustainable future.

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## Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2015.

### Directors

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

| <b>Names</b>      | <b>Position</b>                 |
|-------------------|---------------------------------|
| Archie Tsirimokos | Director, Chairman              |
| John Nicholl      | Director, Vice Chair            |
| Gail Kinsella     | Director, Treasurer             |
| Lynne Harwood     | Director, Company Secretary/CEO |
| John Runko        | Director                        |
| Clinton White     | Director                        |
| Michael Sullivan  | Director                        |
| Caron Egle        | Director                        |
| Ayesha Razzaq     | Director                        |
| Eoghan O'Byrne    | Director                        |

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

### Principal Activities

Communities@Work provides a broad suite of quality community programs of social value and practical benefit and there have been no significant changes in the nature of these activities during the year.

Communities@Work's vision is for a resilient and socially inclusive community that cares for the well-being of all. We are a local organisation that understands local needs. With nearly 40 years of experience, we provide services across the ACT and within the Greater Capital Region to more than 20,000 people annually.

Communities@Work balances sound business acumen with empathy for those in need. Our innovative and progressive culture responds to changing community needs and adopts a client-centred approach to the development and delivery of the following services:

- **Children's Services:** We provide a safe, stimulating environment for the nurture and education of young people, including early education and care, out-of-school hours care, family day care and in-home care.
- **Social Programs:** We provide food, clothing, skills training and other essential services to the most vulnerable and disadvantaged people in the community, with a focus on empowering them to create better futures.
- **Lifestyle Support Services:** We deliver support services to seniors and people with a disability through in-centre, in-home and in-community settings, with the view to enhancing clients' independence, social inclusion and well-being.
- **Special Program Areas:** We provide a range of specialised services such as the Galilee School, Buoyed Up, Family Programs and our Centre of Professional Learning and Education.

While some services are provided on a fee-for-service basis or funded through government contracts, our charitable programs rely on strong corporate, philanthropic and community support. We are endorsed to receive tax deductible donations and our 'surplus for purpose' philosophy ensures that all funds are expended for the benefit of the community.

## Directors' Report

### Short-term and Long-term Objectives

#### The company's short-term objectives are to:

- use our innovative and progressive culture to respond in a flexible and constructive manner to the prevailing environment
- realise efficiencies, operate with the utmost professionalism and respond effectively to client needs
- adopt a client-centred approach to the development and delivery of its services.

#### The company's long-term objectives are to:

- achieve our vision of a resilient and socially inclusive community that cares for the well-being of all, and
- deliver quality community services of social value and practical benefit.

### Our Values

#### Trust, Integrity and Transparency

We earn the confidence of the community by embedding these qualities throughout Communities@Work.

#### Respect for All

We respect everyone we deal with, care about everyone in the community and value difference and diversity.

#### Flexibility and Responsiveness

We are adaptive and agile in pursuing our vision, with a proactive approach to change and progress.

#### Quality and Innovation

We are committed to excellent service delivery, underpinned by continuous improvement and innovation.

#### Affordability and Sustainability

We ensure our services are relevant and appropriate as we build our capacity for a sustainable future.

### Strategies

To achieve its stated objectives, the organisation has adopted a number of strategies. First and foremost is that the strategic focus of Communities@Work is to respond to community needs in a highly relevant, professional and sustainable manner. In this context, and to achieve the stated objectives the following strategies are important threads which knit our future approach to program development and implementation.

#### Client-Centered

We will ensure that our programs are client-centred and respond to the needs of the community.

#### Sound Research

We will undertake sound research as a basis for informed and optimal decision-making.

#### Financial Viability

We will ensure that our programs operate efficiently and effectively with sustainable financial models.

#### Clear Identity

We will ensure that all our programs are clearly integrated with the organisational identity.

## Directors' Report

### Professional Workforce

We will provide opportunities for enhancing the qualifications and skills of our employees.

### Quality Processes

We will develop an internationally recognised quality management system.

### Program Integration

We will enhance program integration to realise efficiencies and deliver holistic services.

## Client-Centred Framework



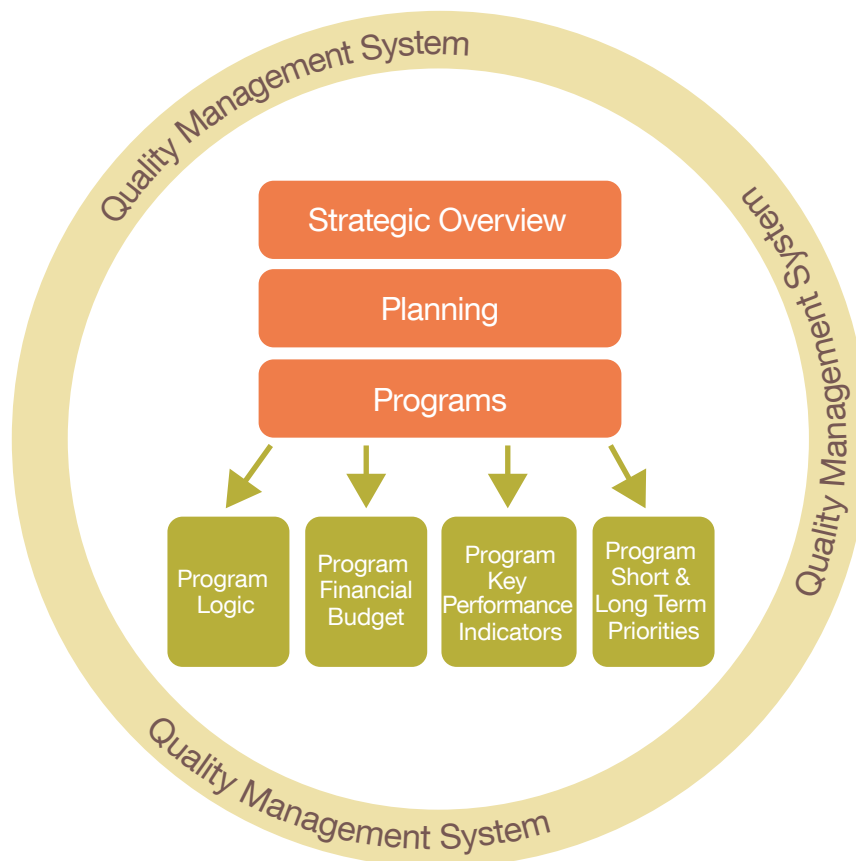
**Directors' Report**

**Business Plans**

Each of the program areas identified in Figure 1 will develop annual business plans to drive their day-to-day operations. As shown in Figure 2, these plans will provide detailed information on each program's rationale (program logic), key performance indicators, budget, and short and long term priorities in the context of a quality management system framework.

We use an ISO Quality Management System to ensure that all our management processes are based on best-practice policies, on-going risk assessment and continuous improvement processes.

**Figure 2: Business Plan Model**



**Directors' Report****Information on Directors****Archie Tsirimokos**

Archie Tsirimokos has been on the Board of Communities@Work since 2007 and was elected Chair of Communities@Work on 28 September 2010. He is the managing partner of Meyer Vandenberg Lawyers, the largest independent law firm in the Australian Capital Territory.

Archie graduated from the Australian National University with Bachelors of Economics and Laws (with honours) and was admitted to legal practice in 1986. As one of Canberra's most experienced lawyers, Archie has recognised expertise in commercial law, dispute resolution, building and construction law and property law.

**John Nicholl**

John Nicholl joined the Communities@Work Board in 2010 as part of the amalgamation with Galilee. John trained initially as an accountant before switching to law in 1992. In 1997 he founded Nicholl & Co a general law practice in the city. He practices mainly in areas of Commercial and Negligence litigation and Family Law.

**Gail Kinsella**

Gail Kinsella joined the Communities@Work Board of Directors in 2010 as part of the amalgamation with Galilee, and in June 2011 was elected as Treasurer. Gail is the director of Kinsella, a Fellow of the Institute of Chartered Accountants (CAANZ), a Fellow of the Taxation Institute of Australia and a Chartered Tax Adviser. Gail is a Commissioner on the Legal Aid ACT Board, a member of the ACT CAANZ Public Practice Advisory Committee and a member of Rotary Club of Brindabella.

**Lynne Harwood**

Lynne Harwood is Chief Executive Officer of Communities@Work, one of the largest community service organisations in the ACT. With extensive experience in the not-for-profit sector, Lynne was previously CEO of Galilee Inc, an organisation supporting disadvantaged children and youth, and CEO of Home Help Services ACT Inc, which provided in-home support to 3,500 elderly and disabled clients.

Lynne has a Bachelor of Commerce Degree and is a Certified Practising Accountant. In her early career, she worked as a taxation and business services accountant for several accounting firms - in three different states - over a fourteen year period.

Lynne has strong skills in strategic leadership, organisational capability and business acumen. In particular, she understands the importance of striking a balance between business fundamentals and empathy in ensuring the success of not-for-profit endeavours.

**John Runko**

John Runko joined the Communities@Work Board in 2010 as part of the amalgamation with Galilee. John is CEO of Independent Property Group and has been involved in most facets of the property industry in Canberra over the last 30 years. John brings a wealth of business experience to the Board, he is a strong advocate for the community sector and is keen to contribute back to the Canberra community that he is so proud to be a part of.



## Directors' Report

### Information on Directors (continued)

#### Clinton White

Clinton White has served on the Communities@Work Board since 2007. Clinton has a background in business, accounting, administration and management in both the public and private sectors and has an active involvement in the arts and community sectors. Currently he is senior adviser to the Speaker of the ACT Legislative Assembly. Clinton has a Bachelor of Arts (Accounting) and is a Certified Practising Accountant. In 2003, Clinton was awarded the Centenary Medal for his work with Australian Business Limited and his volunteer work with ArtSound FM community radio.

#### Michael Sullivan

Mike Sullivan joined the Communities@Work Board in 2009. Mike has had a thirty year career in the Commonwealth, ACT Government, NSW Local Government and the private sector. Most positions have involved engineering and building construction and facilities management. Mike has a Bachelor of Civil Engineering from the University of Sydney.

#### Caron Egle

Caron Egle joined the Communities@Work Board in 2011. She brings to her role 25 years' experience in the education sector as an educator, author and consultant. Caron is the Managing Director of IMPACT Learning and Development which specialises in building an understanding of the workings of the brain – how people think and learn, and the uses of Neuro Linguistic Programming and accelerated learning. Caron is the author of a number of books including A Guide to Working with Children (2004).

#### Ayesha Razzaq

Ayesha Razzaq joined the Communities@Work board in 2014. She brings a wealth of commercial knowledge and expertise obtained through her career in the retail energy industry, leading a dynamic business through a time of significant industry change. Ayesha holds a Bachelor of Engineering degree (honours) and has a passion for the community sector, also sitting on the Board of Lifeline Canberra.

#### Eoghan O'Byrne

Eoghan O'Byrne joined the Communities@Work Board in 2014. He has worked in the broadcasting industry for the past 21 years and has served as the General Manager of Canberra FM Radio for the past 11 years. Eoghan is involved with a number of charities within the ACT. Eoghan has lived in Canberra for 17 years and is delighted to call Canberra home and is still amazed by the generosity of the Canberra community.

**Directors' Report**

**Meetings of Directors**

During the financial year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

|                   | Directors' meetings       |                 |
|-------------------|---------------------------|-----------------|
|                   | Number eligible to attend | Number attended |
| Archie Tsirimokos | 12                        | 12              |
| John Nicholl      | 12                        | 10              |
| Gail Kinsella     | 12                        | 10              |
| Lynne Harwood     | 12                        | 12              |
| John Runko        | 12                        | 9               |
| Clinton White     | 12                        | 11              |
| Mike Sullivan     | 12                        | 11              |
| Caron Egle        | 12                        | 10              |
| Ayesha Razzaq     | 12                        | 9               |
| Eoghan O'Byrne    | 12                        | 7               |

**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 \$20 each towards meeting any outstanding obligations of the Company. At 30 June 2015, the number of members was 10 (2014: 10).

**Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on the following page of this financial report.

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



**Gail Kinsella**  
 Director and Treasurer

Dated *24th* September 2015

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SUBSECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS  
COMMISSION ACT 2012  
TO THE DIRECTORS OF COMMUNITIES@WORK**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Duesburys Nexia**  
Canberra, 24 September 2015



**G J Murphy**  
Partner

**Duesburys Nexia**  
Level 7, St George Centre, 60 Marcus Clarke Street  
GPO Box 500, Canberra ACT 2601  
p +61 2 6279 5400, f +61 2 6279 5444  
mail@dnexia.com.au, www.nexia.com.au

Independent member of Nexia International



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**Statement of Comprehensive Income  
For the Year Ended 30 June 2015**

|  | <b>Note</b> | <b>2015</b>       | <b>2014</b> |
|--|-------------|-------------------|-------------|
|  |             | <b>\$</b>         | <b>\$</b>   |
| Revenue  | 11          | <b>33,218,177</b> | 33,922,762  |
| Administrative and other expenses              |             | <b>6,449,689</b>  | 6,372,979   |
| Depreciation, amortisation and impairment      |             | <b>489,890</b>    | 617,209     |
| Employee benefits expense                      |             | <b>25,532,433</b> | 25,585,342  |
| Loss on disposal of assets                     |             | <b>25,609</b>     | 34,500      |
| <b>Surplus before income tax</b>               |             | <b>720,556</b>    | 1,312,732   |
| <b>Surplus for the year</b>                    |             | <b>720,556</b>    | 1,312,732   |
| <b>Other comprehensive income</b>              |             | <b>-</b>          | <b>-</b>    |
| <b>Total comprehensive income for the year</b> |             | <b>720,556</b>    | 1,312,732   |

**Statement of Financial Position**

**As At 30 June 2015**

|                                     | Note | 2015<br>\$        | 2014<br>\$       |
|-------------------------------------|------|-------------------|------------------|
| <b>ASSETS</b>                       |      |                   |                  |
| CURRENT ASSETS                      |      |                   |                  |
| Cash and cash equivalents           | 2    | 5,571,261         | 3,396,865        |
| Trade and other receivables         | 3    | 1,130,094         | 1,104,152        |
| Other financial assets              | 4    | 2,000,000         | 2,999,992        |
| Other assets                        | 5    | 43,825            | 21,196           |
| TOTAL CURRENT ASSETS                |      | <u>8,745,180</u>  | <u>7,522,205</u> |
| NON-CURRENT ASSETS                  |      |                   |                  |
| Other financial assets              | 4    | 1,000             | 1,000            |
| Property, plant and equipment       | 6    | 2,411,331         | 2,045,666        |
| TOTAL NON-CURRENT ASSETS            |      | <u>2,412,331</u>  | <u>2,046,666</u> |
| TOTAL ASSETS                        |      | <u>11,157,511</u> | <u>9,568,871</u> |
| <b>LIABILITIES</b>                  |      |                   |                  |
| CURRENT LIABILITIES                 |      |                   |                  |
| Trade and other payables            | 7    | 1,521,850         | 1,163,890        |
| Other liabilities                   | 8    | 1,187,120         | 768,556          |
| Provision for employee entitlements | 9    | 1,830,612         | 1,739,052        |
| TOTAL CURRENT LIABILITIES           |      | <u>4,539,582</u>  | <u>3,671,498</u> |
| NON-CURRENT LIABILITIES             |      |                   |                  |
| Provision for employee entitlements | 9    | 50,012            | 50,012           |
| TOTAL NON-CURRENT LIABILITIES       |      | <u>50,012</u>     | <u>50,012</u>    |
| TOTAL LIABILITIES                   |      | <u>4,589,594</u>  | <u>3,721,510</u> |
| NET ASSETS                          |      | <u>6,567,917</u>  | <u>5,847,361</u> |
| <b>EQUITY</b>                       |      |                   |                  |
| Retained surpluses                  |      | <u>6,567,917</u>  | 5,847,361        |
| TOTAL EQUITY                        |      | <u>6,567,917</u>  | <u>5,847,361</u> |

## Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

|                         | Ordinary<br>Shares<br>\$ | Total<br>\$      |
|-------------------------|--------------------------|------------------|
| Balance at 1 July 2014  | 5,847,361                | 5,847,361        |
| Surplus for the year    | 720,556                  | 720,556          |
| Balance at 30 June 2015 | <u>6,567,917</u>         | <u>6,567,917</u> |

2014

|                         | Ordinary<br>Shares<br>\$ | Total<br>\$      |
|-------------------------|--------------------------|------------------|
| Balance at 1 July 2013  | 4,534,629                | 4,534,629        |
| Surplus for the year    | 1,312,732                | 1,312,732        |
| Balance at 30 June 2014 | <u>5,847,361</u>         | <u>5,847,361</u> |

**Statement of Cash Flows**  
**For the Year Ended 30 June 2015**

|   | 2015                      | 2014                    |
|---|---------------------------|-------------------------|
| Note  | \$                        | \$                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |                           |                         |
| Receipts from government, customers and others            | 34,238,901                | 33,779,580              |
| Payments to suppliers and employees                       | (32,374,327)              | (32,557,978)            |
| Interest received   | 190,994                   | 206,868                 |
| Net cash provided by (used in) operating activities       | <u>2,055,568</u>          | <u>1,428,470</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |                           |                         |
| Proceeds from sale of plant and equipment                 | 30,736                    | 129,821                 |
| Purchase of property, plant and equipment                 | (911,900)                 | (860,129)               |
| Proceeds from investments                                 | 999,992                   | -                       |
| Net cash used by investing activities                     | <u>118,828</u>            | <u>(730,308)</u>        |
| Net increase (decrease) in cash and cash equivalents held | 2,174,396                 | 698,162                 |
| Cash and cash equivalents at beginning of year            | <u>3,396,865</u>          | <u>2,698,703</u>        |
| Cash and cash equivalents at end of financial year        | 2 <u><u>5,571,261</u></u> | <u><u>3,396,865</u></u> |

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

### **1 Summary of Significant Accounting Policies**

The financial statements are for Communities@Work as an individual entity, incorporated and domiciled in Australia. Communities@Work is a not-for-profit company limited by guarantee. It is a company that has otherwise been authorised by ASIC to omit the word 'Limited' from its name under Section 150 of the Corporations Act 2001.

#### **Basis of Preparation**

Communities@Work (the Company) has elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board, the Australia Charities and Not-for-Profits Commission Act 2012 and the NSW Charitable Fundraising Act and Regulations.

The Company is a not-for-profit public company limited by guarantee, incorporated in the Australian Capital Territory under the Corporations Act 2001. The financial statements cover the Company as an individual entity.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

#### **Accounting Policies**

##### **(a) Income Tax**

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

##### **(b) 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 losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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.



## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies (continued)

#### (b) Property, Plant and Equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs (eg. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

#### Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use.

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

| <b>Fixed asset class</b> | <b>Depreciation rate</b> |
|--------------------------|--------------------------|
| Buildings                | 5% - 20%                 |
| Furniture and equipment  | 20% - 33%                |
| Motor Vehicles           | 13% - 15%                |

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.

#### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(d) Financial Instruments**

##### *Recognition and measurement*

Financial instruments are initially measured at cost on trade date which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

##### *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

##### *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

##### *Fair value*

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(d) Financial Instruments (continued)**

##### **Impairment**

At the end of the reporting period, an assessment is made whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

#### **(e) Impairment of Non-Financial Assets**

At the end of each reporting period, the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

#### **(f) 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 payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

#### **(g) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(i) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(i) Revenue (continued)**

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

When grant revenue is received whereby the entity 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.

Donations and bequests are recognised as revenue when received.

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

#### **(j) Unexpended Grants**

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grant monies as unexpended grants in the statement of financial position where the company is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

#### **(k) 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(l) Comparative Amounts**

Comparative figures have been adjusted, where necessary to conform to changes in presentation for the current financial year.

#### **Critical accounting estimates and judgments**

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The Directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

## Notes to the Financial Statements

For the Year Ended 30 June 2015

## 2 Cash and Cash Equivalents

|              | 2015             | 2014             |
|--------------|------------------|------------------|
|              | \$               | \$               |
| Cash at bank | 5,565,029        | 3,386,225        |
| Cash on hand | 6,232            | 10,640           |
|              | <u>5,571,261</u> | <u>3,396,865</u> |

## 3 Trade and Other Receivables

|                              | 2015             | 2014             |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| Trade and other receivables  | 1,240,094        | 1,209,152        |
| Provision for doubtful debts | (110,000)        | (105,000)        |
|                              | <u>1,130,094</u> | <u>1,104,152</u> |

## (a) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. Movement in the provision for impairment of receivables is as follows:

|   |                |
|---|----------------|
|   | \$             |
| Provision for impairment as at 30 June 2014 | 105,000        |
| Charge for the year                         | <u>5,000</u>   |
| Provision for impairment as at 30 June 2015 | <u>110,000</u> |

## 4 Other Financial Assets

|                                     | 2015             | 2014             |
|-------------------------------------|------------------|------------------|
|                                     | \$               | \$               |
| <b>CURRENT</b>                      |                  |                  |
| Held-to-maturity financial assets   | <u>2,000,000</u> | <u>2,999,992</u> |
| <b>NON-CURRENT</b>                  |                  |                  |
| Available-for-sale financial assets | <u>1,000</u>     | <u>1,000</u>     |

Held to maturity financial assets comprise term deposits with initial terms to maturity of six months. The interest rates at year end range from 2.60% to 3.55%.

Available-for-sale financial assets comprise an investment in the ordinary issued capital of an unlisted company. There are no fixed returns or fixed maturity date attached to this investment.

## 5 Other Assets

|             | 2015          | 2014          |
|-------------|---------------|---------------|
|             | \$            | \$            |
| Prepayments | <u>43,825</u> | <u>21,196</u> |

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 6 Property, Plant and Equipment

|                                   | 2015             | 2014             |
|-----------------------------------|------------------|------------------|
|                                   | \$               | \$               |
| Land and buildings - at cost      | 1,840,452        | 1,133,551        |
| Accumulated depreciation          | (151,377)        | (75,859)         |
| Impairment of building            | (141,221)        | (141,221)        |
|                                   | <u>1,547,854</u> | <u>916,471</u>   |
| <br>                              |                  |                  |
| Furniture and equipment - at cost | 1,592,888        | 1,462,619        |
| Accumulated depreciation          | (1,237,839)      | (960,513)        |
|                                   | <u>355,049</u>   | <u>502,106</u>   |
| <br>                              |                  |                  |
| Motor vehicles - at cost          | 950,782          | 973,102          |
| Accumulated depreciation          | (442,354)        | (346,013)        |
|                                   | <u>508,428</u>   | <u>627,089</u>   |
|                                   | <u>2,411,331</u> | <u>2,045,666</u> |

#### 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:

|                                       | Land and<br>buildings | Furniture and<br>equipment | Motor<br>vehicles | Total            |
|---------------------------------------|-----------------------|----------------------------|-------------------|------------------|
|                                       | \$                    | \$                         | \$                | \$               |
| Balance at the beginning of the year  | 916,471               | 502,106                    | 627,089           | 2,045,666        |
| Additions                             | 706,901               | 130,267                    | 74,732            | 911,900          |
| Disposals                             | -                     | -                          | (56,345)          | (56,345)         |
| Depreciation                          | (75,518)              | (277,324)                  | (137,048)         | (489,890)        |
| <b>Balance at the end of the year</b> | <u>1,547,854</u>      | <u>355,049</u>             | <u>508,428</u>    | <u>2,411,331</u> |

The buildings were impaired by \$141,221 in the prior year as a result of a valuation that applies the concept of fair value in accordance with Australian Accounting Standard AASB 116 Property, Plant and Equipment. The independent valuation was carried out by MMJ Real Estate on 16 April 2014.

### 7 Trade and Other Payables

|                | 2015             | 2014             |
|----------------|------------------|------------------|
|                | \$               | \$               |
| Trade payables | 585,655          | 627,604          |
| Other payables | 936,195          | 536,286          |
|                | <u>1,521,850</u> | <u>1,163,890</u> |

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 8 Other Liabilities

|                   | 2015             | 2014           |
|-------------------|------------------|----------------|
|                   | \$               | \$             |
| Income in advance | <u>1,187,120</u> | <u>768,556</u> |

### 9 Provision for Employee Entitlements

|                                  | 2015             | 2014             |
|----------------------------------|------------------|------------------|
|                                  | \$               | \$               |
| CURRENT                          |                  |                  |
| Provision for maternity leave    | 20,000           | -                |
| Provision for annual leave       | 1,275,066        | 1,191,636        |
| Provision for long service leave | 455,546          | 467,416          |
| Provision for time in lieu       | <u>80,000</u>    | <u>80,000</u>    |
|                                  | <u>1,830,612</u> | <u>1,739,052</u> |
| NON-CURRENT                      |                  |                  |
| Provision for long service leave | <u>50,012</u>    | <u>50,012</u>    |

### 10 Leasing Commitments

#### Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

|                                   | 2015             | 2014             |
|-----------------------------------|------------------|------------------|
|                                   | \$               | \$               |
| Minimum lease payments:           |                  |                  |
| - not later than one year         | 299,819          | 246,162          |
| - between one year and five years | 587,782          | 771,448          |
| - later than five years           | <u>190,917</u>   | <u>122,135</u>   |
|                                   | <u>1,078,518</u> | <u>1,139,745</u> |

The leases are for assets and various premises located in ACT.

In addition to the above, Communities@Work has entered into a number of leases under peppercorn rental arrangements. The fair value of these leases is not reflected in the financial statements.

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 11 Revenue and Other Income

|                             | 2015              | 2014              |
|-----------------------------|-------------------|-------------------|
|                             | \$                | \$                |
| Revenue                     |                   |                   |
| - Provision of services     | 25,037,328        | 23,036,898        |
| - Gain on merger            | -                 | 1,896,045         |
| - Operating grants          | 7,039,352         | 7,718,371         |
| - Fundraising and donations | 506,273           | 537,845           |
| - Other sources             | 453,934           | 526,735           |
|                             | <u>33,036,887</u> | <u>33,715,894</u> |
| Other revenue               |                   |                   |
| - Interest received         | 181,290           | 206,868           |
|                             | <u>181,290</u>    | <u>206,868</u>    |
|                             | <u>33,218,177</u> | <u>33,922,762</u> |

### 12 Surplus for the Year

Surplus for the year has been determined after the following specific expenses:

|                               | 2015      | 2014      |
|-------------------------------|-----------|-----------|
|                               | \$        | \$        |
| Depreciation and amortisation | 489,890   | 475,988   |
| Impairment of building        | -         | 141,221   |
| Loss on disposal of assets    | 25,609    | 34,500    |
| Bad and doubtful debts*       | 131,323   | 7,738     |
| Fundraising expenses          | 30,503    | 25,571    |
| Rental expense                | 564,986   | 572,688   |
| Superannuation                | 1,992,201 | 1,879,091 |

\* A primary focus of the Executive for the year was aged debt which had accrued in our Children's Services. This focus resulted in an increase in the amount of debt being written down when all other recovery efforts had been exhausted.

### 13 Key Management Personnel Disclosures

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

The total remuneration paid to key management personnel of the company is \$2,061,396 (2014: \$2,201,398).

### 14 Related Party Disclosures

The following related party transactions took place with director related entities during the year:

- payments totalling \$9,379 for legal advice during the year.
- payments totalling \$24,387 for leadership training.

The services were provided to the Company at arm's length.



## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 14 Related Party Disclosures (continued)

The directors of the Company did not receive any compensation for their services as directors. During the year the Company paid \$43,601 for Associations Liability Insurance which incorporates director's and officer's liability insurance.

Other than the above and the compensation of key management personnel which is separately disclosed, there were no other related party transactions during the financial year.

### 15 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and accounts payable.

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Company is not exposed to any significant liquidity, credit or interest rate risk in relation to its financial instruments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

|  |   | 2015             | 2014             |
|--|---|------------------|------------------|
|  |   | \$               | \$               |
| <b>Financial Assets</b>                        |   |                  |                  |
| Cash and cash equivalents                      | 2 | 5,571,261        | 3,396,865        |
| Held-to-maturity investments                   | 4 | 2,000,000        | 2,999,992        |
| Loans and receivables                          | 3 | 1,130,094        | 1,104,152        |
| Available-for-sale financial assets            | 4 | 1,000            | 1,000            |
| <b>Total financial assets</b>                  |   | <b>8,702,355</b> | <b>7,502,009</b> |
| <b>Financial Liabilities</b>                   |   |                  |                  |
| <i>Financial liabilities at amortised cost</i> |   |                  |                  |
| - Trade and other payables                     | 7 | 1,521,850        | 1,163,890        |
| - Income in advance                            | 8 | 1,187,120        | 768,556          |
| <b>Total financial liabilities</b>             |   | <b>2,708,970</b> | <b>1,932,446</b> |

### Net Fair Value

Financial assets and financial liabilities are carried at their net fair value at the end of the reporting date. The carrying value of financial assets and financial liabilities approximates their net fair value due to their short terms to maturity or market interest rates.

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 16 Fundraising Income and Expenses

**Details of gross income and total expenses of fundraising appeals:**

|   | <b>Total raised<br/>2015</b> |
|---|------------------------------|
| <b>Campaign/Event:</b>                  | <b>\$</b>                    |
| End of Financial Year                   | 4,389                        |
| Best Dressed July                       | 19,556                       |
| Sun Herald City2Surf 2014               | 898                          |
| Community Sleepout 2014                 | 58,558                       |
| Best Dressed November 2014              | 6,073                        |
| End of Financial Year 2014 Christmas    | 21,471                       |
| Buoyed Up Regatta                       | 11,134                       |
| Buoyed Up Gala Dinner                   | 37,182                       |
| End of Financial Year 2015              | 9,578                        |
| General ongoing donations & fundraising | <u>337,434</u>               |
|   | <b>506,273</b>               |
| Less:                                   |                              |
| Fundraising expenses                    | <u>30,503</u>                |
| <b>Net surplus from fundraising</b>     | <b><u>475,770</u></b>        |

**Application of funds for charitable purposes:**

During the year Communities@Work achieved a net surplus of \$475,770 from fundraising activities. This surplus was used to fund our charitable programs as follows:

|                                  | <b>Net<br/>Fundraising<br/>Applied 2015</b> |
|----------------------------------|---|
| <b>Program:</b>                  | <b>\$</b>                                   |
| Social Programs                  | 284,218                                     |
| Galilee School                   | 42,374                                      |
| Buoyed Up                        | 67,445                                      |
| Gungahlin Festival (auspiced)    | 60,500                                      |
| Tuggeranong Mens Shed (auspiced) | <u>21,233</u>                               |
| <b>Total</b>                     | <b><u>475,770</u></b>                       |

Communities@Work does not engage traders to undertake fundraising.

### 17 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 \$20 each towards meeting any outstanding obligations of the company. At 30 June 2015, the number of members was 10 (2014: 10).

### 18 Contingencies

In the opinion of the Directors, the company did not have any contingent assets or contingent liabilities at 30 June 2015 (30 June 2014: None).

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

### **19 Events After the End of the Reporting Period**

The financial statements were authorised for issue by the Board of Directors on the date of signing the attached Directors' Declaration. The directors have the right to amend and reissue the financial statements after they are issued.

Subsequent to year end, the Company entered into a contract with a construction company for the development of office space and a community centre at 172 Dixon Drive, Holder ACT. The contract for construction totals \$3,569,110 excluding GST. The Company also obtained approval in principle from its bankers for a total loan facility of \$2.5 million to assist with the development.

There are no other matters or circumstances that 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.

### **20 Company Details**

The registered office of the Company is:

Communities@Work  
245 Cowlshaw Street  
Greenway ACT 2900

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 24, are in accordance with both the Australian Charities and Not-for-Profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW) and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company.
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.
3. The financial statements give a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals; and
4. The Statement of Financial Position gives a true and fair view of the state of affairs with respect of fundraising appeals; and
5. The provisions of the Charitable Fundraising Act 1991 (NSW), the regulations under the Act and the conditions attached to the authority have been complied with; and
6. The internal controls exercised by the organisation are appropriate and effective in accounting for all the income received and applied by the organisation from any of its fundraising appeals.

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

Director ..... 

Director ..... 

Dated 24th September 2015

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITIES@WORK**

We have audited the accompanying financial statements of Communities@Work (the Company), which comprise the statement of financial position as at 30 June 2015, 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.

### **Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Duesburys Nexia**

Level 7, St George Centre, 60 Marcus Clarke Street  
GPO Box 500, Canberra ACT 2601  
p +61 2 6279 5400, f +61 2 6279 5444  
mail@dnexia.com.au, www.nexia.com.au

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### **Auditor's Opinion**

In our opinion:

- a) the financial statements of Communities@Work are 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 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013;
- b) we have been given all information, explanation and assistance necessary for the conduct of the audit;
- c) the registered entity has kept financial records sufficient to enable a financial report to be prepared and audited; and
- d) the registered entity has kept other records as required by the Act.

### **Report on the Requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2008**

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2008.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements of the above mentioned Act or Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

**Auditor's Opinion**

In our opinion:

- a) the financial statements show a true and fair view of the financial result of fundraising appeals for the year to which they relate;
- b) the accounts and associated records relating to fundraising activities have been properly kept during the year in accordance with the above mentioned Act and Regulation;
- c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the above mentioned Act and Regulation; and
- d) Communities@Work is solvent.

A handwritten signature in black ink, appearing to read "Andrew ...".

**Duesburys Nexia**  
Canberra, 24 September 2015

A handwritten signature in black ink, appearing to read "G J Murphy".

**G J Murphy**  
Partner

*It's about you. Always!*  
**Communities@Work**

*It's about you. Always!*  
**Communities@Work**

**DO GOOD**

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*www.commsatwork.org*

## Central Office

Tuggeranong Campus  
Tuggeranong Community Centre  
245 Cowlshaw Street,  
Greenway ACT 2900

P: (02) 6293 6500

F: (02) 6293 6555

E: [admin@commsatwork.org](mailto:admin@commsatwork.org)

[commsatwork.org](http://commsatwork.org)

Communities@Work has a vision for a resilient and socially inclusive community that cares for the well-being of all.



Aboriginal and  
Torres Strait Islander  
Inclusive

Proud Provider  
of the  
**NDIS**



Gender Equity  
in the workplace

**CALD**  
Inclusive