

Communities@Work

Annual Report

2015-16



FINANCIAL STATEMENTS

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Communities@Work

ABN 19 125 799 859

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2016.

Directors

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

Names	Position
Archie Tsirimokos	Director, Chairman
John Nicholl	Director, Vice Chair
Gail Kinsella	Director, Treasurer
Lynne Harwood	Director, Company Secretary/CEO, resigned Dec 2015
John Runko	Director
Clinton White	Director, resigned Nov 2015
Michael Sullivan	Director
Caron Egle	Director
Ayesha Razzaq	Director
Eoghan O'Byrne	Director
Alan Greenslade	Director, appointed Nov 2015
Lorcan Murphy	Director, Company Secretary/CEO, appointed Jan 2016

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 is a social enterprise that provides a broad suite of quality programs of social value and practical benefit to the local community. 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. Communities@Work is a local organisation that understands local needs. With nearly 40 years of experience, Communities@Work provides 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:** To 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:** To 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:** To 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:** To provide a range of specialised services such as the Galilee School, Buoyed Up, Family Programs and our Centre of Professional Learning and Education.

Communities@Work is endorsed to receive tax deductible donations and our 'surplus for purpose' philosophy ensures that all funds are expended for the benefit of the community.

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Directors' Report**Changes to Executive Structure**

In December 2015 Lynne Harwood ended her tenure as CEO after serving Communities@Work for 5 years. During that time Lynne guided the organisation through many changes including the amalgamation of Gungahlin Regional Community Service.

Lorcan Murphy was appointed by the Communities@Work Board as CEO in January 2016. Lorcan brings with him a wealth of experience in business and management. His business acumen and strategic thinking will be critical to the ongoing success of Communities@Work.

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

Our Values**Trust, Integrity and Transparency**

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

Respect for All

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

Flexibility and Responsiveness

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

Quality and Innovation

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

Affordability and Sustainability

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

Communities@Work will ensure all programs are client-centred and respond to the needs of the community.

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Directors' Report

Sound Research

Undertake sound research as a basis for informed and optimal decision-making.

Financial Viability

Ensure that all programs operate efficiently and effectively with sustainable financial models.

Clear Identity

Ensure that all programs are clearly integrated with the organisational identity.

Professional Workforce

Provide opportunities for enhancing the qualifications and skills of our employees.

Quality Processes

Develop an internationally recognised quality management system.

Program Integration

Enhance program integration to realise efficiencies and deliver holistic services.

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 Chartered Accountants Australia and New Zealand (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.

Lorcan Murphy Lorcan joined the Communities@Work Board in January 2016. Lorcan Murphy is the Chief Executive Officer of Communities@Work. His career spans over 23 years in executive leadership and senior management positions across numerous sectors, including in multinational organisations across Europe, North America, Asia and Australia.

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Directors' Report**Information on Directors (continued)**

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 31 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.
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 22 years and served as the General Manager of Canberra FM Radio for the past 12 years. In July 2015 Eoghan became the Director of Marketing and Communications at University of Canberra. Eoghan is involved with a number of charities within the ACT. Eoghan has lived in Canberra for 18 years and is delighted to call Canberra home and is still amazed by the generosity of the Canberra community.
Alan Greenslade	Alan joined the Communities@Work Board in November 2015. Alan Greenslade is First Assistant Secretary of Financial Analysis, Reporting and Management in the Commonwealth Department of Finance. Alan has previously worked in the Australian National Audit Office, in the funds management industry and as a policy advisor at the UK Treasury.

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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	11
John Nicholl	12	11
Gail Kinsella	12	11
Lynne Harwood	6	5
Lorcan Murphy	6	6
John Runko	12	10
Clinton White	6	2
Alan Greenslade	8	7
Michael Sullivan	12	11
Caron Egle	12	9
Ayesha Razzaq	12	10
Eoghan O'Byrne	12	8

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 2016, the number of members was 10 (2015: 10).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 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 20th October 2016



**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 2016 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, 20 October 2016


G J Murphy
Partner

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Statement of Comprehensive Income

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
Revenue	12 34,773,535	33,218,177
Gain on disposal of assets	21,646	-
Administrative and other expenses	6,714,079	6,449,689
Depreciation and amortisation expenses	440,395	489,890
Employee benefits expense	28,000,563	25,532,433
Loss on disposal of assets	-	25,609
Surplus/(deficit) before income tax	(359,856)	720,556
Surplus/(deficit) for the year	(359,856)	720,556
Other comprehensive income	-	-
Total comprehensive income for the year	(359,856)	720,556

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**Statement of Financial Position
As At 30 June 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	3,541,539	5,571,261
Trade and other receivables	3	1,564,096	1,130,094
Other financial assets	4	1,000,000	2,000,000
Other assets	5	65,387	43,825
TOTAL CURRENT ASSETS		<u>6,171,022</u>	<u>8,745,180</u>
NON-CURRENT ASSETS			
Other financial assets	4	1,000	1,000
Property, plant and equipment	6	6,920,863	2,411,331
TOTAL NON-CURRENT ASSETS		<u>6,921,863</u>	<u>2,412,331</u>
TOTAL ASSETS		<u>13,092,885</u>	<u>11,157,511</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	2,596,075	1,521,850
Financial liabilities	8	1,641,228	-
Other liabilities	9	761,793	1,187,120
Provision for employee entitlements	10	1,885,728	1,830,612
TOTAL CURRENT LIABILITIES		<u>6,884,824</u>	<u>4,539,582</u>
NON-CURRENT LIABILITIES			
Provision for employee entitlements	10	-	50,012
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>50,012</u>
TOTAL LIABILITIES		<u>6,884,824</u>	<u>4,589,594</u>
NET ASSETS		<u>6,208,061</u>	<u>6,567,917</u>
EQUITY			
Retained earnings		6,208,061	6,567,917
TOTAL EQUITY		<u>6,208,061</u>	<u>6,567,917</u>

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Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	6,567,917	6,567,917
Surplus/(deficit) for the year	(359,856)	(359,856)
Balance at 30 June 2016	6,208,061	6,208,061

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	5,847,361	5,847,361
Surplus/(deficit) for the year	720,556	720,556
Balance at 30 June 2015	6,567,917	6,567,917

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Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government, customers and others	34,800,156	34,238,901
Payments to suppliers and employees	(35,467,782)	(32,374,327)
Interest received	135,152	190,994
Interest paid	(12,942)	-
Net cash provided by/(used in) operating activities	<u>(545,416)</u>	<u>2,055,568</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	73,727	30,736
Purchase of property, plant and equipment	(4,199,261)	(911,900)
Proceeds from investments	1,000,000	999,992
Net cash provided by/(used in) investing activities	<u>(3,125,534)</u>	<u>118,828</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from financial liabilities	1,641,228	-
Net cash provided/(used in) financing activities	<u>1,641,228</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents held	(2,029,722)	2,174,396
Cash and cash equivalents at beginning of year	5,571,261	3,396,865
Cash and cash equivalents at end of financial year	2 <u>3,541,539</u>	<u>5,571,261</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

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

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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)**(b) Property, Plant and Equipment (continued)**

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 earnings.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight-line basis 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:

Fixed asset class	Depreciation rate
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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash at bank	3,532,507	5,565,029
Cash on hand	9,032	6,232
	<u>3,541,539</u>	<u>5,571,261</u>

3 Trade and Other Receivables

	2016	2015
	\$	\$
Trade and other receivables	1,668,615	1,240,094
Provision for doubtful debts	(104,519)	(110,000)
	<u>1,564,096</u>	<u>1,130,094</u>

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 2015	110,000
Provision used	(5,481)
Provision for impairment as at 30 June 2016	<u>104,519</u>

4 Other Financial Assets

	2016	2015
	\$	\$
CURRENT		
Held-to-maturity financial assets	<u>1,000,000</u>	<u>2,000,000</u>
NON-CURRENT		
Available-for-sale financial assets	<u>1,000</u>	<u>1,000</u>

Held to maturity financial assets comprise of a term deposit with an initial term to maturity of six months. The interest rate at year end was 2.80%.

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

	2016	2015
	\$	\$
Prepayments	<u>65,387</u>	<u>43,825</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

6 Property, Plant and Equipment

	2016	2015
	\$	\$
Land and buildings - at cost	1,113,036	1,113,036
Accumulated depreciation	(213,959)	(151,377)
Impairment of building	(141,221)	(141,221)
	<u>757,856</u>	<u>820,438</u>
Furniture and equipment - at cost	1,863,930	1,592,888
Accumulated depreciation	(1,475,979)	(1,237,839)
	<u>387,951</u>	<u>355,049</u>
Motor vehicles - at cost	1,078,740	950,782
Accumulated depreciation	(412,940)	(442,354)
	<u>665,800</u>	<u>508,428</u>
Work in progress	5,109,256	727,416
	<u>6,920,863</u>	<u>2,411,331</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 buildings	Furniture and equipment	Motor vehicles	Work in progress	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	820,438	355,049	508,428	727,416	2,411,331
Additions	-	271,042	349,126	4,381,840	5,002,008
Disposals	-	-	(52,081)	-	(52,081)
Depreciation	(62,582)	(238,140)	(139,673)	-	(440,395)
Balance at the end of the year	<u>757,856</u>	<u>387,951</u>	<u>665,800</u>	<u>5,109,256</u>	<u>6,920,863</u>

The buildings were impaired by \$141,221 in a prior year as a result of a valuation that applied 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

	2016	2015
	\$	\$
Trade payables	1,409,237	585,655
Other payables	1,186,838	936,195
	<u>2,596,075</u>	<u>1,521,850</u>

Communities@Work

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Notes to the Financial Statements

For the Year Ended 30 June 2016

8 Financial Liabilities

	2016	2015
	\$	\$
Secured bank loan	1,545,588	-
Bonds	95,640	-
	<u>1,641,228</u>	<u>-</u>

The secured bank loan with Westpac Bank is secured by way of registered mortgage over the property located at Dixon Drive, Holder ACT. In addition, the bank holds a general security over all existing and future assets and undertakings of Communities@Work. The loan facility totals \$2,500,000 and is subject to variable interest rates. The loan has a term of 12 months from inception.

Bonds relate to bonds held for Children's Services based on Communities@Work two week bond policy introduced at the beginning of the financial year.

9 Other Liabilities

	2016	2015
	\$	\$
Income in advance	761,793	1,187,120
	<u>761,793</u>	<u>1,187,120</u>

10 Provision for Employee Entitlements

	2016	2015
	\$	\$
CURRENT		
Provision for donated personal leave	19,873	-
Provision for portable long service leave	114,828	-
Provision for annual leave and maternity leave	1,318,362	1,295,066
Provision for long service leave	352,665	455,546
Provision for time in lieu	80,000	80,000
	<u>1,885,728</u>	<u>1,830,612</u>
NON-CURRENT		
Provision for long service leave	-	50,012
	<u>-</u>	<u>50,012</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

11 Leasing Commitments

Operating lease commitments

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

	2016	2015
	\$	\$
Minimum lease payments:		
- not later than one year	263,450	299,819
- between one year and five years	448,580	587,782
- later than five years	130,542	190,917
	<u>842,572</u>	<u>1,078,518</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.

12 Revenue and Other Income

	2016	2015
	\$	\$
Revenue		
- Provision of services	27,283,177	25,037,328
- Operating grants	6,489,557	7,039,352
- Fundraising and donations	513,203	506,273
- Other sources	361,427	453,934
	<u>34,647,364</u>	<u>33,036,887</u>
Other revenue		
- other interest received	126,171	181,290
	<u>126,171</u>	<u>181,290</u>
	<u>34,773,535</u>	<u>33,218,177</u>

13 Surplus/(Deficit) for the Year

Surplus/(deficit) for the year has been determined after the following specific items:

	2016	2015
	\$	\$
Depreciation and amortisation	440,395	489,890
(Gain)/loss on disposal of assets	(21,646)	25,609
Bad and doubtful debts	(875)	131,323
Fundraising expenses	28,867	30,503
Interest expenses	12,942	-
Rental expenses	585,991	564,986
Superannuation contributions	2,155,961	1,992,201

Communities@Work

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Notes to the Financial Statements

For the Year Ended 30 June 2016

14 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 was \$2,187,287 (2015: \$2,061,396).

15 Related Party Disclosures

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

- payments totalling \$20,666 for legal advice during the year.
- payments totalling \$31,339 for leadership training.

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

The directors of the Company did not receive any compensation for their services as directors. During the year the Company paid \$41,612 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.

16 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:

		2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	2	3,541,539	5,571,261
Held-to-maturity investments	4	1,000,000	2,000,000
Loans and receivables	3	1,564,096	1,130,094
Available-for-sale financial assets	4	1,000	1,000
Total financial assets		6,106,635	8,702,355
Financial Liabilities			
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	7	2,596,075	1,521,850
Bank loan and bonds	8	1,641,228	-
Income in advance	9	761,793	1,187,120
Total financial liabilities		4,999,096	2,708,970

Communities@Work

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Notes to the Financial Statements

For the Year Ended 30 June 2016

16 Financial Risk Management (continued)

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.

17 Fundraising Income and Expenses

Details of gross income and total expenses of fundraising appeals:

	Total Raised 2016
	\$
Campaign/Event:	
End of Financial Year	13,369
Community Sleepout 2015	62,676
Gift wrapping	1,033
End of Financial Year 2015 Christmas	11,979
General ongoing donations & fundraising	415,547
	<u>504,604</u>
Less:	
Fundraising expenses	28,867
Net surplus from fundraising	<u><u>475,737</u></u>

Application of funds for charitable purposes:

During the year Communities@Work achieved a net surplus of \$475,737 from fundraising activities. This surplus was used to fund the following charitable programs:

	Net Fundraising Applied 2016
	\$
Program:	
Social Programs	349,902
Galilee School	43,811
Buoyed Up	10,160
Gungahlin Festival (auspiced)	71,864
Total	<u><u>475,737</u></u>

Communities@Work does not engage traders to undertake fundraising.

18 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 2016, the number of members was 10 (2015: 10).

Communities@Work

ABN 19 125 799 859

Notes to the Financial Statements

For the Year Ended 30 June 2016

19 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or contingent liabilities at 30 June 2016 (30 June 2015: None).

20 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.

There are no 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.

21 Company Details

The registered office of the Company is:

Communities@Work
245 Cowlishaw Street
Greenway ACT 2900

Communities@Work

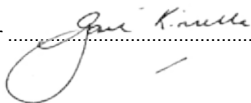
ABN 19 125 799 859

Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 7 to 22, 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 2016 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 20 October 2016



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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 2016, 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.

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 2016 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;

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- 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 "Duesburys Nexia".

Duesburys Nexia
Canberra, 20 October 2016

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

G J Murphy
Partner

Communities@Work

Central Office

Tuggeranong Campus

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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



GenderEquity

CALD
Inclusive