



COMMUNITY AXIS
ENTERPRISES INC.

ANNUAL REPORT 2017

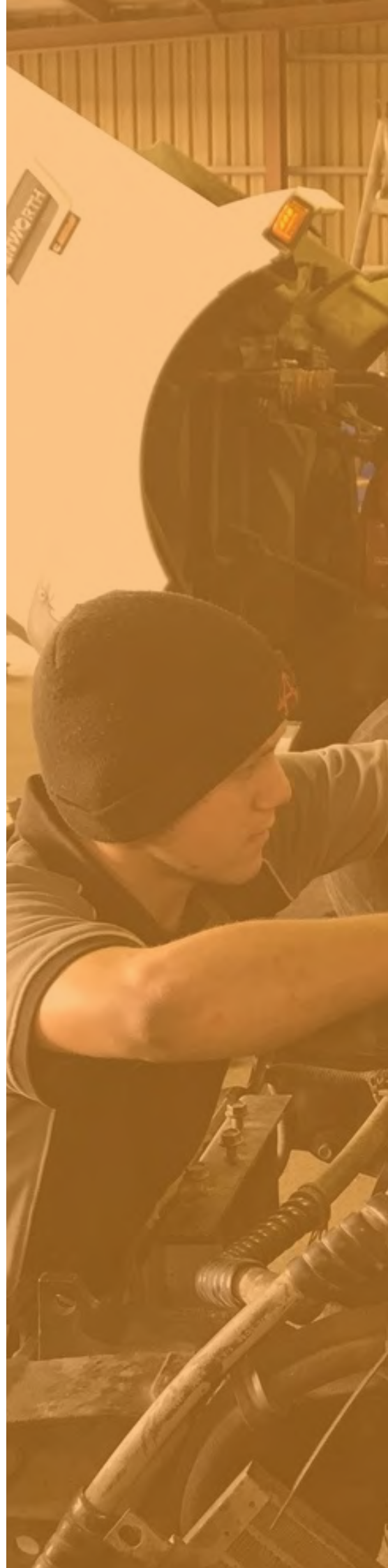
A photograph of a worker in a high-visibility vest and safety glasses using a power drill on a workbench. The image is overlaid with a large, stylized number '1' in the bottom left corner.

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ACRONYMS

ADE	Australian Disability Enterprise
AS/NZS	Australian Standards/New Zealand Standards
DEA	Disability Employment Australia
DES	Disability Employment Services
DHS	Department of Human Services
DMS	Disability Management Service
DOE	Department of Employment
DSS	Department of Social Services
EMS	Environmental Management System
ESA	Employment Services Area
ESS	Employment Support Services
ISO	International Organisational Standards
NDIS	National Disability Insurance Services Scheme
NDS	National Disability
NSDS	National Standards for Disability Services
QA	Quality Assurance
QMS	Quality Management System
TIS	Translating and Interpreting Service
TtW	Transition to Work



WHO ARE WE?

Community AXIS Enterprises Incorporated (CAEI), is a not for profit organisation who, for the last 25 years, have specialised in providing employment services people with disability, illness or injury. From our beginning, back in 1992, to today, we have grown substantially and now operate in throughout much of Western Victoria and South-East South Australia , with our head office located in Horsham.

CAEI operates under two arms, AXIS Employment and AXIS Worx.

AXIS Employment currently works with over 1500 job seekers in our Disability Employment Services program (DES) and Disability Management Services (DMS) Program. With a focus on finding and keeping meaningful, sustainable employment, our Employment Consultants work closely with each job seeker to map out a pathway to their employment and strategise long and short term goals, training and other support needs.

Our newest program to AXIS Employment, Transition to Work (TtW), works with people aged 15-21 who are not in education or work, and aims to help young people find and maintain employment, or build skills through vocational education and training. We deliver the TtW service in Horsham, Ararat, Mildura and Swan Hill.

AXIS Worx is an Australian Disability Enterprise (ADE) who provides supported employment for people with disability who are unable to work in open employment. We offer meaningful work across 4 different enterprises, Pak Worx, Wood Worx, E Worx and Harvest Delights. Our ADE is a registered NDIS Provider for Specialised Employment Services.

OUR PURPOSE

We Include We Achieve We Care

MISSION STATEMENT

To inspire and empower people through employment

VISION STATEMENT

To provide flexible, diverse services and workplace opportunities for people of all abilities

AXIS EMPLOYMENT

A year in numbers...



881

SUCCESSFUL
PARTICIPANT JOB
PLACEMENTS

2028

TOTAL DES
PARTICIPANTS WE
HAVE ASSISTED



605

PARTICIPANTS
REMAINED IN
EMPLOYMENT FOR 3
MONTHS OR MORE



489

PARTICIPANTS
REMAINED IN
EMPLOYMENT FOR 6
MONTHS OR MORE



912

DES PARTICIPANTS
CURRENTLY EMPLOYED

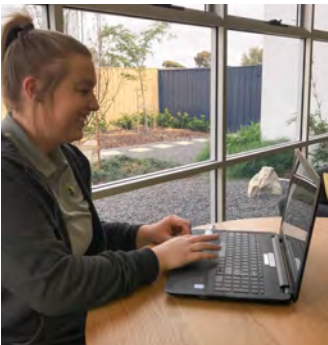
398

TOTAL TTW
PARTICIPANTS WE
HAVE RE-ENGAGED



107

TTW PARTICIPANTS
REMAINED IN
EMPLOYMENT FOR 3
MONTHS OR MORE



39

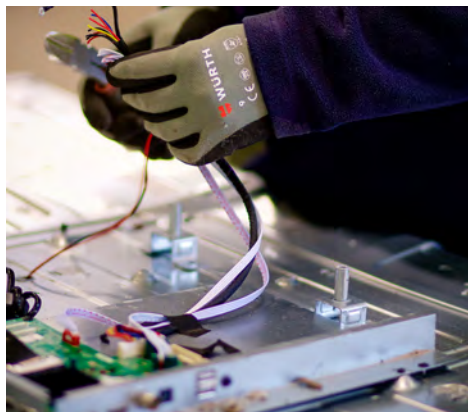
TTW PARTICIPANTS
REMAINED IN
EMPLOYMENT FOR 6
MONTHS OR MORE



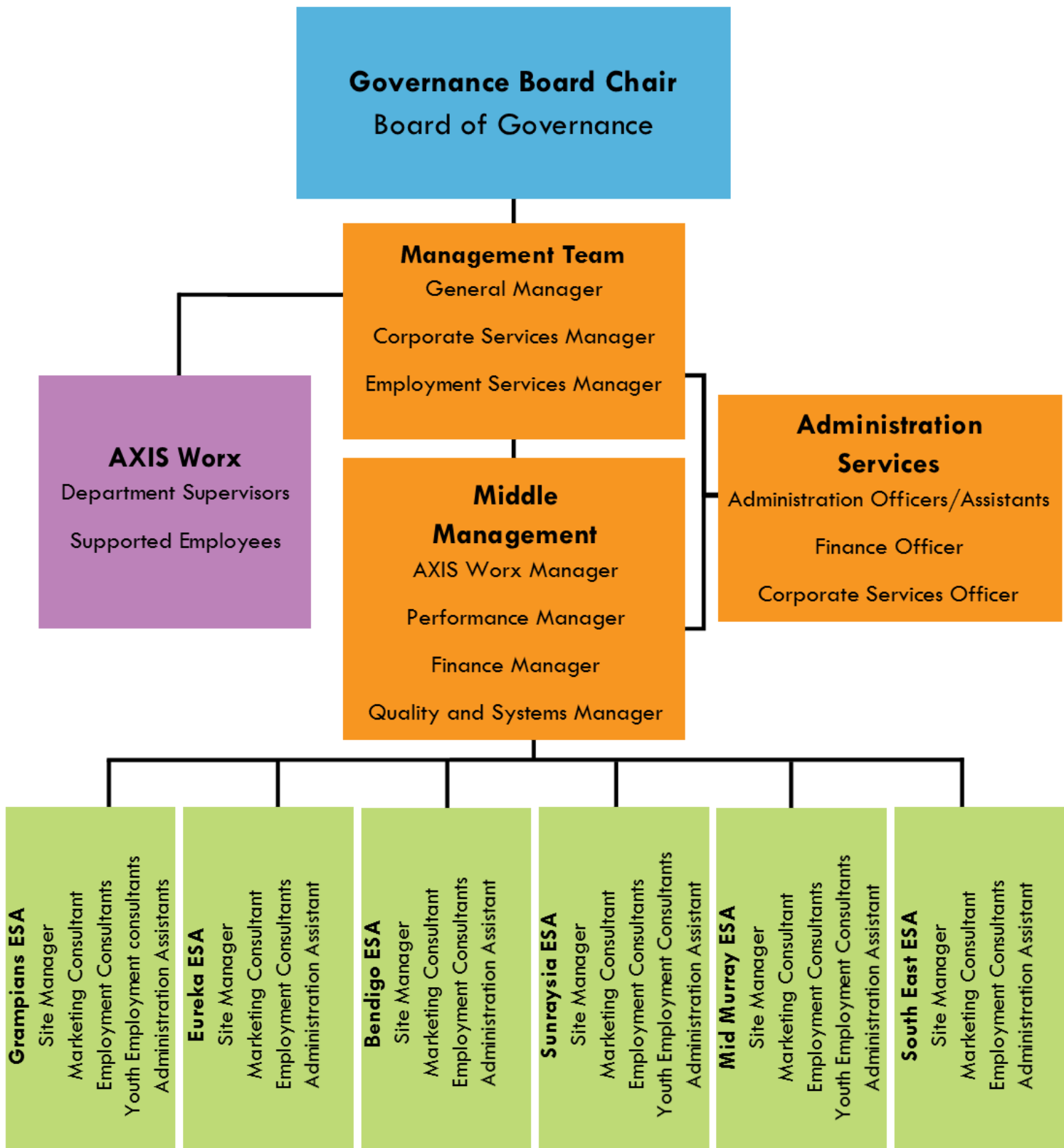
AXIS WORX

AXIS Worx in Horsham is an Australian Disability Enterprise (ADE) providing supported employment for people with disability who are unable to work in the open employment sector.

Contracted by the Department of Social Services (DSS) to deliver the Disability Employment Assistance (DEA) program, AXIS Worx provides meaningful and sustainable employment to 43 Supported Employees in four different business units – Harvest Delights, Word Worx, E-Worx and Pak Worx.



ORGANISATIONAL STRUCTURE



BOARD OF GOVERNANCE



Nick Graham
Board Chairman
Solicitor
Nick Graham Legal
Years of Service: 11



Bev Miatke
Vice Chairperson
Support Worker
Christian Emergency Food Centre
Years of Service: 8



Doug Clarke
Treasurer
(Retired) Technical Officer
Years of Service: 12



David Eltringham
Secretary
(Retired) Senior Manager
Technical Services
Horsham Rural City Council
Years of Service: 4



Diana McDonald
Board Member
HR & Risk Coordinator
Horsham Rural City Council
Years of Service: New Member



Tim Shaw
Board Member
Executive Officer
Wimmera Southern Mallee LLEN
Years of Service: New Member

CHAIRMAN'S REPORT

After recently reflecting upon previous Annual Reports, what is a standout feature of this organisation is that not only do we continue to offer almost unsurpassed services to our many clients, but as amazingly as it might seem, our performance levels continue to improve. That is evidenced by our quarterly DES Star Ratings which provide an external demonstration of how we are performing on a national platform. We have achieved the highest possible 5-star ranking in the six Employment Service Areas (ESA's) in which we operate. It is now history, but we were awarded an additional five ESA's 2012. We have shown that we can set up suitable offices and be fully staffed and ready for business in a short amount of time.

Over the past five years everyone in this organisation, without exception, has worked extremely hard and in a highly professional manner in delivering services to people with disabilities throughout North-West Victoria and South-Eastern South Australia. That service has extended to assisting young people to obtain employment in some of our ESA's, through the Transition to Work program. This outcome truly reflects what Community Axis Enterprises Incorporated (CAEI) is about and one which we are extremely proud of. Those outcomes can only be achieved through dedication and hard work on the part of the whole team.

AXIS Worx continues to operate smoothly and efficiently with steady growth under the guidance of Bill Schmidt. We continue to provide supported employment opportunities to 43 people with disability. Our employees love to come to work every day, as do our staff. Their happiness and feelings of ease is a good indicator of the environment we have created for them.

Overall CAEI is a sound financial position. As shown by our financials, we have continued to achieve highly satisfactory financial outcomes over this past year. That, in no small part, has enabled us to provide employment opportunities and advice for our clients and real employment for our supported employees.

All of that does not mean that we can sit back and become complacent. There are continuing challenges that present themselves, particularly next year with the introduction of the new DES program and with the recent roll out of the NDIS. It will be a challenging time for us all but I am confident that with careful preparation and awareness of what will be expected, we will continue to Inspire and Empower People Through Employment.

The board welcomed two new members this year, Tim Shaw and Diana McDonald who both bring a wealth of experience and knowledge to assist guiding CAEI into the future.

I would like to thank our longer serving board members for their energy and support and for their individual commitments. Bev Miatke our Vice Chair, Doug Clarke our Treasurer and David Eltringham, our Secretary. We are all like-minded in the outcomes we are seeking to achieve for people with disabilities. I look forward to working together over the next 12 months.

I extend my thanks also the Management Team, led by Colin Barnett and supported by Graeme Eldridge and Viv Watson. They continue to amaze me with their energy and enthusiasm. This organisation is so much the better for their involvement and dedication. And to our other Leadership Group members, Brendan Doran, Amanda Wirth, and Bill Schmidt, your leadership has been inspirational.

To our DES managers, our star rating results prove beyond doubt that they know what services need to be delivered to people with disabilities which in turn is demonstrable evidence they are more than competent in being able to achieve the best possible outcomes. Each of you have done a commendable job over the past 12 months in continuing to assist our clients to gain the confidence and the skills to take their rightful place in their communities.

Lastly, I would like to thank all members of staff in all of our ESA's and at AXIS Worx. Each of you contribute meaningfully, to providing and maintaining very high levels of service delivery. We wouldn't be what we are and were we are today without your enthusiasm and commitment.

With all that said, this is not about us. We are but a vehicle to provide assistance and support for our clients. They are what is important and that is where our emphasis lies. I wish them all well.

Nick Graham

Chairman, Board of Governance

GENERAL MANGER'S REPORT

Twelve months on and into our 26th year, we are in the best shape of our lives.

Guaranteed Disability Employment Services (DES) business through to 2023, Transition to Work (TtW) business to 2020, commencement of NDIS referrals, cash reserves of \$6.86m, property of \$5m and a brand new office.

We have been providing Disability Employment Services (DES) since 1992, and we are good at it. Our annual turnover is now in excess of \$13m, we employ 85 full time staff and 43 supported employees, we provide employment services to around 1,700 jobseekers including over 1,000 who are working or in education.

Our services cover four employment programs delivered throughout much of Western Victoria and South East South Australia and we are ranked in the top 5% of providers Australia wide. Importantly, we are well placed and looking forward to the new DES program in 2018 and the positive impact of the NDIS.

Employment offers a sense of independence and self worth. It contributes to our physical and mental health and helps shape our sense of identity. People with disability value their work, and studies show that they take less leave, have fewer accidents and stay in jobs longer than other workers. They boost staff morale and enhance a sense of teamwork. One in five Australians has a disability, so employing people with disability better reflects the diversity of our society.

We have achieved outstanding performance results across all employment programs. Our DES-ESS programs are achieving the highest possible 5 star rating in each of our six Employment Services Areas (ESAs), averaging 56% better than the national average and our DES-DMS program is rated 31 above the national average. Transition to Work has exceeded our contracted targets of 155 participants and 100 outcomes annually, and AXIS Worx, our Australian Disability Enterprise (ADE), continues to offer 43 supported employment opportunities whilst exceeding our Activity Performance Indicators (APIs).

Team AXIS, supported employees, department supervisors and client services, receptionists, consultants, marketers, administration, quality, finance, managers, board members – we have all played our part in the success that CAEI has achieved this year. Thankyou on a job well done.

Of course, local employers offer invaluable support to our jobseekers. We thank you for the contribution you have made in helping us achieve successful outcomes for our participants and our programs. Without doubt, our biggest project ever has been the redevelopment of 9 Firebrace Street. Project Manager, Graeme Eldridge saw the build through from start to finish, an outstanding achievement with stunning results. And interior decorator, Viv Watson added the finishing touches. We are very proud of our new home.

Thank you to Grae and Viv for your valued contribution and continued support. Your ongoing dedication and commitment to CAEI and our management team has resulted in our success over a long period, and particularly over the last year.

CAEI's leadership group consists of Grae, Viv, Brendan, Bill, Amanda and myself, and together we continue to lead by example, motivated by our achievements and common goals: To inspire and empower people through employment; and to achieve the very best outcomes for our program participants, employers, staff and communities. We will position ourselves for continued success, by continuing our high standards of service delivery, by maintaining a strong financial position, by pursuing additional DES business and developing future business opportunities at AXIS Worx.

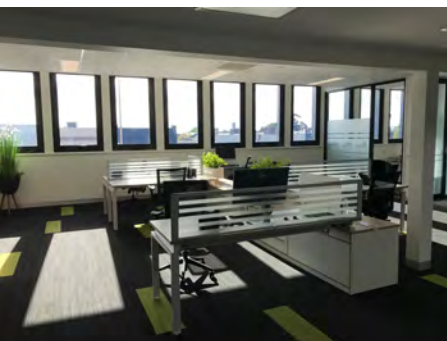
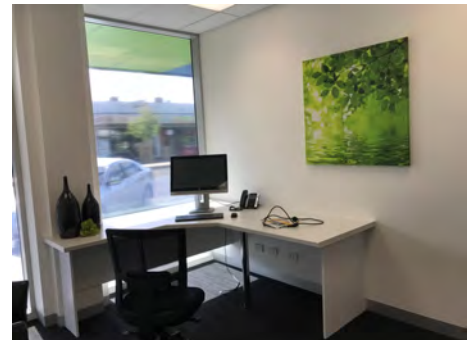
We are grateful for the contribution and support provided by our Board of Governance. Chairman Nick Graham and board members David Leembruggen, Bev Miatke, Doug Clarke, David Eltringham, Tim Shaw and Diana McDonald, all give their valuable time and continue to show faith in management's leadership.

Colin Barnett
General Manager



CORPORATE SERVICES MANAGER'S REPORT

Corporate Services has had a busy year across all areas of Fleet, IT, Quality Assurance and Infrastructure culminating in the completion of our new Head Office at Firebrace Street. We purchased the building late in 2014 which was in a very solid, but rundown state and would require extensive work to morph it into a modern styled building that we envisaged for our Head Office. We turned the first, sod so to speak, in November 2016 appointing Locks Construction to undertake the project and opened the doors for business in November 2017 one year later. The refurbishment has been a great achievement for the organization and provides our Jobseekers and staff a fantastic facility to do their good work. A picture says a thousand words!



Graeme Eldridge
Corporate Services
Manager

EMPLOYMENT SERVICES MANAGER'S REPORT

AXIS Employment has had an exceptional year in 2016/2017. Our six Employment Services Areas (ESA's) have once again delivered excellent services to our Job Seekers and achieved outstanding results. In all ESA's AXIS DES (Disability Employment Service) and TtW (Transition to Work) programs exceed the national average, resulting in AXIS Employment being amongst the highest ranking providers nationally. Our AXIS Work team also provide a wide variety of supported employment opportunities to 43 employees. Our DES-ESS stream has achieved the highest star rating possible with all six ESA's achieving a 5-star rating. DES-DMS has achieved a high 4-star rating in the Mildura ESA.

In April 2016 AXIS Employment was successful in winning a contract to deliver the TtW program across the Mildura, Swan Hill, Horsham and Ararat areas. In our first full year of service delivery, AXIS Employment has exceeded all targets set by the Department of Employment and placed many at risk young people into employment, traineeships, apprenticeships and training. Our TtW consultants have worked tirelessly to support disengaged young people and help them to move into work which is vital for young people who are at risk of becoming welfare dependent.

The success which we have achieved is largely due to maintaining a strong focus on the goal of placing Job Seekers into sustainable employment, this positively impacts the lives of our 1800 Job Seekers. Our Service Delivery Model has proven to be a powerful tool in assisting our Job Seekers move into employment, provide quality ongoing support to both the Job Seeker and provide workplace assistance for our valued employers. Our Managers, Marketers and Consultants work diligently to deliver a quality service to our Job Seekers in a supportive and compassionate manner.

Throughout the past year AXIS Employment has placed over 1000 Job Seekers of all abilities into employment. The impact in the lives of these Job Seekers is immense. Being given the opportunity to earn an income, become a part of the workforce, contributing to their families and the community cannot be underestimated. We are privileged to be a significant contributor to this outcome for the many people we work with.

Once again we held a successful Shooting for the Stars conference, this year in Warrnambool. The aim is to provide staff with specialised training, professional development and support to ensure we deliver the highest quality service to our Job Seekers and remain relevant and up to date in the field of employment services.

Aside from delivering our employment services, here in Horsham have had an eventful year with the building project. Renovating the Firebrace Street site has been a mammoth task but very rewarding for those involved and having finally relocated to our Head Office, we now have a fresh, new and modern environment for our Grampian ESA staff and clients.

As we look to the future, the DES program will undergo some significant changes in July 2018, however our focus will remain steadfast, with a clear vision and objective to deliver quality service to our Job Seekers and Employers throughout Victoria and South Australia.

In conclusion, I must thank all of the AXIS staff for their commitment to our vision and ultimate goal of placing and supporting people of all abilities into employment.

Viv Watson
*Employment
Services Manager*



AXIS WORX MANAGER'S REPORT

The 2016/17 financial year has been the busiest in my time as Manager at AXIS Worx in relation to our departments. We have had some large orders from many customers, and as manager I'm pleased to say that all staff and supported employees have been instrumental in ensuring we exceeded customers expectations.

It's very important to look back and reflect on the volume of work that was achieved, and so below is a snapshot of just some of what our team completed:

- E-Waste - 208,506kg of E-Waste came through our gate, that has been our best for the past 4 years
- Wood - 400,000 stakes & pegs, this has doubled from 2015/2016
- Wood - 2200 timber pallets were manufactured
- Harvest Delights - 800 hampers were made
- Harvest Delights - 9500 Units packaged & labelled
- Pak - 23,000 calico bag sewed
- Pak - 55,000 tree guard assembled

NDIS started in our region in October, and the roll out started quite a bit faster than what we expected however we just went with it and currently have around half of our supported employers transitioned across with support packages. In most cases, this has been a very smooth process.

Throughout the year we were involved in a number of audits, thanks to all staff for your commitment to ensuring that we remain compliant.

Participating in the Tri-State Games for the past 3 has been a great highlight and it is fantastic to see our supported employees be involved.

I just want to acknowledge all of our departing supported employees and staff for the past 12 months, thank you for your contribution to AXIS Worx.

I also want to say well done and thank you to all of our supported employees for all the fantastic work you have done, you are all inspirational.

Also thanks to our long list of loyal customers for supporting this great organisation.

In closing, a massive thank you to my staff for your dedication and commitment to helping and assisting our supported employees. I'm certain that your guidance is much appreciated by our supported employees.



Bill Schmidt
AXIS Worx Manager



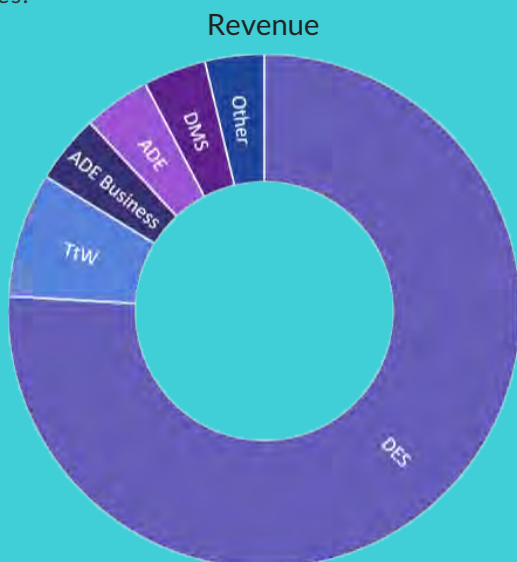
FINANCE MANAGER'S REPORT

Last year's strong financial position has well and truly carried over into the 2016/2017 financial year, with our end result exceeding budget by over \$845,000. With a surplus of just over \$2.5million, it is the highest result Community AXIS Enterprises Inc. has achieved to date.

This financial success has a direct correlation with the high number of Job Seekers we support and the fantastic outcomes they have achieved over the last 12 months. Our core business, the ESS-DES and ESS-DMS programs, both saw an increase of 7% in funding and after a full financial year of service delivery. Our Transition to Work program has also made a significant impact on our financial position, adding over \$1million to our total revenue.

Business revenue at AXIS Worx increased by 11%, which is positive news for our ADE. The volume of E Waste coming through has increased the E Worx income by \$18,000. The Wood Worx department was also busy this year, increasing their sales by 20% after securing some larger contracts.

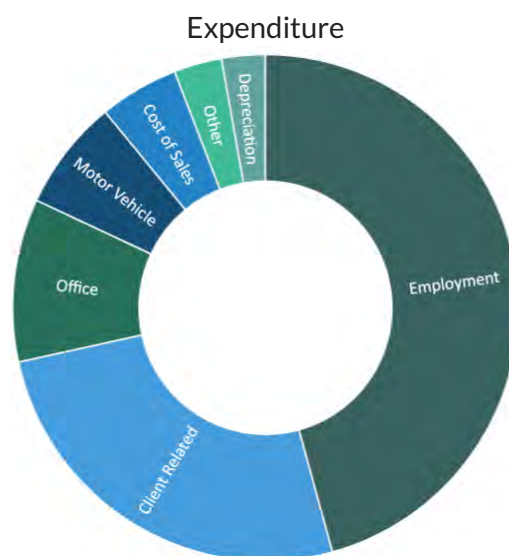
As AXIS Worx transitions over to the National Disability Insurance Scheme (NDIS) from October this year, we expect that funding levels will remain steady. The NDIS offers choice and control to recipients and without a cap on the number of funded places, it will allow more people to access our supported employment services.



As our organisation grows, our expenses increase. Up 5% in the 2016/2017 financial year, the majority of this relating to employment costs due to the increase in staff numbers, enabling us to maintain the high quality of support our Job Seekers deserve.

Our biggest outlay this year has of course been our new Head Office. By the end of June 2017, we had invested \$1.4million into the refurbishment of the Firebrace Street site with a further \$900,000 overlapping into the next financial year. If you have been for a visit, or even just driven past, I'm sure you'll agree it looks amazing! The facilities we have built for our staff and Job Seekers are exceptional. We were very fortunate to be able to fund such a big project without borrowed funds, grants or other financial support.

Despite the costs associated with the new office, as well as all of our operating expenses, we increased our cash reserves by an additional \$1.3million by the end of the financial year. This, along with our successful performance, puts in a financially stable position as we look ahead to the new Employment Support Service programs mid 2018.



Amanda Wirth
Finance Manager



OUR TEAM

GRAMPIANS - Head Office

Colin Barnett	General Manager
Graeme Eldridge	Corporate Services Manager
Viv Watson	Employment Services Manager
Brendan Doran	Performance Manager
Carolyn Baker	DES Manager
Amanda Wirth	Finance Manager
Sarah Scott	Finance Officer
Rebecca Lovett	Finance Officer
Cassianne Carman	Finance Trainee
Nathan Neumann	Quality and Systems Manager
Tom Stevenson	Corporate Services Officer
Linda Thornton	Administration Officer
Hayley Barber	Administration Trainee
Sophie Barnett	Administration Assistant
Chris Overman	Marketing Consultant
Caitlin Schulze	Employment Consultant
Courtney Clough	Employment Consultant
Jerome Williams	Employment Consultant
Kristy Robertson	Employment Consultant
Marc Richards	Employment Consultant
Sarah McIvor	Employment Consultant
Simon Rohde	Employment Consultant
Steve Holmes	Employment Consultant
Steve McRae	Employment Consultant
Nathan Martin	Youth Employment Consultant

EUREKA

Tom Robertson	DES Manager
Annie Henderson	Administration Assistant
Trish Hayward	Administration Assistant
Brendan Thompson	Marketing Consultant
Chris Sheehan	Employment Consultant
David Youlden	Employment Consultant
Jamie Woods	Employment Consultant
Janina Isted	Employment Consultant
Kellie Chapman	Employment Consultant
Larecia Glenwright	Employment Consultant
Rebecca Jones	Employment Consultant
Sherree Pedrotti	Employment Consultant
Simone Brough	Employment Consultant
Steven Aggett	Employment Consultant

AXIS Worx

Bill Schmidt	AXIS Worx Manager
Garret McAlpine	E-Worx Supervisor
Graeme Lewis	Maintenance Supervisor
Helen Crafter	Client Services Manager
Jason Stephens	Wood Worx Supervisor
Kellie Watkins	Pak Worx Supervisor
Russell Brown	Production Supervisor

OUR TEAM

BENDIGO

Jeff Else	DES Manager
Madison West	Administration Assistant
Edy Miller	Marketing Consultant
Adrianna Grubelnik	Employment Consultant
April Schang	Employment Consultant
Chelsea Wearne	Employment Consultant
Daniel Farrelly	Employment Consultant
Jacinta Weeks	Employment Consultant
Josie Thomas	Employment Consultant
Kyle Walsh	Employment Consultant
Leigh Byrne	Employment Consultant
Quinton Bentley	Employment Consultant
Tony Barker	Employment Consultant
Rick Ladson	Employment Consultant
Thomas Hart	Employment Consultant
Tony Barker	Employment Consultant

SUNRAYSIA

Carl Robertson	DES Manager
Abby Challis	Administration Assistant
Anastassia Starkova	Employment Consultant
Justin Clay	Employment Consultant
Kate Gathercole	Employment Consultant
Kim Johnson	Employment Consultant
Mark Alvey	Employment Consultant
Paul Mulder	Employment Consultant
Tania Wright	Employment Consultant
Ashley Flentjar	Youth Employment Consultant
Loren Hill	Youth Employment Consultant

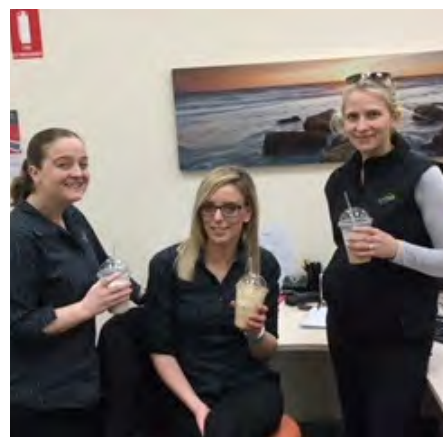
MID MURRAY

Marcus Demaria	DES Manager
Emma Burns	Administration Trainee
Catherine Benham	Employment Consultant
Kieran McLaughlin	Employment Consultant
Louise Rohde	Employment Consultant

SOUTH EAST

Rodney Versteegh	DES Manager
Cynthia Franck	Administration Assistant
Mike Reilly	Marketing Consultant
Ashley Owen	Employment Consultant
Hayley Keyser	Employment Consultant
Karren Owen	Employment Consultant
Michele Colbert	Employment Consultant
Wendy Scott	Employment Consultant

A YEAR IN PHOTOS



A YEAR IN PHOTOS



SERVICE RECOGNITION

10 Years

Amanda Wirth - AXIS Employment Staff

Brendan Doran - AXIS Employment Staff

20 Years

Peter Howe - AXIS Worx Supported Employee

DONATIONS & SPONSORSHIP

Ballarat Red Devils	Murtoa Golf Club
Ballarat Sovereigns Netball Club Inc.	Naracoorte & District Basketball Association
Bendigo Cricket Club	Neangar Park Golf Club Inc.
Bendigo Golf Club	North Ballarat Junior Football Club Inc.
Bendigo Senior Secondary College	Redan Football & Netball Club Inc.
Chip For Charity	Sophie Martin
Demons Basketball Club (Mildura)	South Gambier Football Club Inc.
Dimboola Football & Netball Club	St Brigid's College
Edenhope Golf Club Inc.	St Michaels Football and Netball Club Inc.
Golden City Football Club	Stawell Amateur Athletic Club
Golden Square Football & Netball Club	Stawell Neighbourhood House Inc.
Hindmarsh Landcare Network	Strathfieldsaye Primary School
Horsham College	Tri State Games Inc.
Horsham Combined Churches	Warracknabeal Eagles Football Netball Club Inc.
Jeparit/Rainbow Football & Netball Club	Wentworth District Football Netball Club
Laharum Football & Netball Club	Wimmera & Southern Mallee Careers Association
Lime FM	Wimmera Australian Football League
Lions Club of Ballarat	Wimmera Health Care Group Foundation
Millicent Basketball Association	Woorinen Football Netball Club

CONTACT US

HEAD OFFICE
9 Firebrace Street
Horsham VIC 3400
(03) 5381 1622 or 1800 811 622
reception@caei.com.au

AXIS WORX
134 Golf Course Road
Horsham VIC 3400
(03) 5382 0333
reception@caei.com.au

WENDOUREE
15 Violet Grove
Wendouree VIC 3355
1800 913 091
ballarat@caei.com.au

SWAN HILL
268 Campbell Street
Swan Hill VIC 3585
1800 054 718
swanhill@caei.com.au

HORSHAM
22 McLachlan Street
Horsham VIC 3400
1800 811 622
reception@caei.com.au

ARARAT
90 Barkly Street
Ararat VIC 3377
1800 913 091
ballarat@caei.com.au

MOUNT GAMBIER
40 Helen Street
Mount Gambier SA 5290
1800 907 407
mountgambier@caei.com.au

STAWELL
111 Main Street
Stawell VIC 3380
1800 811 622
reception@caei.com.au

BENDIGO
56 Queen Street
Bendigo VIC 3550
1800 916 291
bendigo@caei.com.au

NARACOORTE
15 Ormerod Street
Naracoorte SA 5271
1800 907 407
mountgambier@caei.com.au

BALLARAT
15 Albert Street
Ballarat VIC 3350
1800 913 091
ballarat@caei.com.au

MILDURA
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Mildura VIC 3500
1800 618 961
mildura@caei.com.au

FINANCIAL STATEMENTS

- OF -

COMMUNITY AXIS ENTERPRISES INC

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Community AXIS Enterprises Inc
ABN: 48 208 409 903

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Statement of Profit or Loss and Other Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

True and Fair Certification by Members of the Committee

Independent Auditors Report

Certificate by Members of the Committee

Community AXIS Enterprises Inc

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	13,980,219	12,138,208
Cost of Sales Expense		574,864	539,240
Advertising & Promotions Expenses		111,562	75,795
Audit and Accounting fees	3	14,000	14,030
Client Expenses		374,238	304,611
Depreciation Expense		320,828	416,244
Equipment Hire Expense		791	5,098
Employee Benefits Expense		5,205,589	4,748,934
Employer Incentive Expense		1,780,900	1,931,008
General Office Expense		673,451	604,918
Honorariums Expense		6,000	6,000
Interest & Borrowing Expense		12,921	12,205
Minor Equipment Expense		8,786	8,764
Motor Vehicle Expenses		813,609	665,652
Donations Expense		1,060	10,379
Rent Expense		443,197	437,077
Repairs & Maintenance Expense		79,620	83,797
Staff Training Expense		20,274	40,013
Telephone, Fax & Internet Expense		194,508	180,018
Travelling Expenses		22,655	54,469
Wage Subsidy Payment		805,808	749,533
Total Expenditure		11,464,661	10,887,785
Net current year surplus		2,515,558	1,250,423
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Loss on revaluation of land and buildings	12	-	-
		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value remeasurement gains on available-for-sale financial assets	12	42,474	(63,973)
		42,474	(63,973)
Total other comprehensive income for the year		42,474	(63,973)
Total comprehensive income for the year		2,558,032	1,186,450
Net current year surplus attributable to members of the entity		2,515,558	1,250,423
Total comprehensive income attributable to members of the entity		2,558,032	1,186,450

The accompanying notes form part of this financial report.

Community AXIS Enterprises Inc

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	4	5,765,777	4,419,029
Trade and other receivables	5	78,130	171,485
Inventories	6	117,726	84,381
Prepayments		29,710	35,062
Total Current Assets		5,991,343	4,709,957
Non Current Assets			
Financial assets	7	1,098,895	1,006,559
Property, plant & equipment	8	4,734,446	3,572,742
Total Non Current Assets		5,833,341	4,579,301
Total Assets		11,824,684	9,289,258
Current Liabilities			
Unexpended grants		-	98,670
Trade and other payables	9	1,198,166	1,133,621
Total Current Liabilities		1,198,166	1,232,291
Non Current Liabilities			
Trade and other payables	9	120,617	109,098
Total Non Current Liabilities		120,617	109,098
Total Liabilities		1,318,783	1,341,389
Net Assets		10,505,901	7,947,869
Members' Funds			
Reserves	12	614,486	572,012
Retained profits		9,891,415	7,375,857
Total Members' Funds		10,505,901	7,947,869

The accompanying notes form part of this financial report.

Community Axis Enterprises Inc

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	General Reserve \$	Financial Asset Reserve \$	Retained Surplus \$	Total \$
Balance at 1 July 2015	605,067	30,918	6,125,434	6,761,419
<i>Comprehensive income</i>				
Net surplus for the year	-	-	1,250,423	1,250,423
Other comprehensive income for the year	-	(63,973)	-	(63,973)
<i>Total comprehensive income attributable to the members of the entity</i>	-	(63,973)	1,250,423	1,186,450
Balance at 30 June 2016	605,067	(33,055)	7,375,857	7,947,869
Balance at 1 July 2016	605,067	(33,055)	7,375,857	7,947,869
<i>Comprehensive income</i>				
Net surplus for the year	-	-	2,515,558	2,515,558
Other comprehensive income for the year	-	42,474	-	42,474
<i>Total comprehensive income attributable to the members of the entity</i>	-	42,474	2,515,558	2,558,032
Balance at 30 June 2017	605,067	9,419	9,891,415	10,505,901

Community Axis Enterprises Inc

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from Customers		953,816	701,319
Receipt from Grants		12,838,118	11,269,128
Payments to suppliers and employees		(11,090,448)	(10,431,564)
Interest Received		80,479	80,267
Net cash (used in)/generated from operating activities	11	2,781,965	1,619,150
Cash Flows from Investing Activities			
Purchase of investments		-	(400,000)
Payment for property, plant and equipment		(1,521,717)	(326,296)
Proceeds from sale of property, plant and equipment		86,500	140,597
Net cash used in investing activities		(1,435,217)	(585,699)
Cash Flows from Financing Activities			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash held		1,346,748	1,033,451
Cash at the Beginning of the Financial Year		4,419,029	3,385,578
Cash at the end of the Financial Year	4	5,765,777	4,419,029

The accompanying notes form part of this financial report.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Community Axis Enterprises Inc as an individual entity. Community Axis Enterprises Inc is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2012*.

The financial statements were authorised for issue on 24/11/2017 by the members of the Committee.

Basis of Preparation

These special purpose financial statements have been prepared in accordance with the Associations Incorporation Reform Act 2012 and Australian Accounting Standards and Interpretations of the Australian Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

The Association is income tax exempt.

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Inventories held of distribution are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(c) Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (ie market that maximises the receipt from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(d) Property, Plant and Equipment Plant & Equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the profit or loss during the financial period in which they are incurred.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvement.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	10% to 25%
Computer Equipment	20% to 30%
Motor Vehicles	25%
Office Furniture & Equipment	20% to 25%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

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

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

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

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised costs using effective interest method, or cost. 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.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in the profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading 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 fair value (ie gains and losses) recognised included in profit or loss.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(ii) *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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *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 association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity or other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value when any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantee are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to the receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as a depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(h) Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits have been measured at 50% of the total liability including oncosts. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(j) Accounts Receivable and Other Debtors

Accounts receivable and other debtors includes amounts receivable from customers for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(k) Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the association 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.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with the corresponding amount of the income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent to the instrument.

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

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

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

(n) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Economic Dependency

Community Axis Enterprises Inc is dependent on the Department of Education, Employment and Workplace Relations (DEEWR) for the majority of its revenue used to operate the business. At the date of this report the Committee has no reason to believe the Department will not continue to support Community Axis Enterprises Inc.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE

	2017	2016
	\$	\$
Sales Revenue	604,638	543,445
Australian Disability Services	588,743	617,629
Office Rental	6,613	13,925
Other	248,395	128,132
Quality Assurance Subsidy	7,750	15,400
Disability Employment Services	10,689,174	10,000,963
Transition to Work Program	1,095,756	149,410
Disability Management Services	555,365	485,726
Donations	815	778
Interest & Dividends	135,655	118,826
Profit on sale of Non-current Assets	47,315	63,974
Total Income	<u>13,980,219</u>	<u>12,138,208</u>

NOTE 3: AUDITORS FEE

	2017	2016
	\$	\$
Remuneration of the auditor of the association for:		
- auditing or reviewing the financial report	14,000	14,030
- other services	-	-
	<u>14,000</u>	<u>14,030</u>

NOTE 4: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank	3,767,565	2,422,168
Cash on hand	(1,788)	(3,139)
Short term deposits	<u>2,000,000</u>	<u>2,000,000</u>
Total cash assets	<u>5,765,777</u>	<u>4,419,029</u>

The effective interest rate on short-term bank deposits was 2.98% (2016: 4.81%); these deposits have an average maturity of 434 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>5,765,777</u>	<u>4,419,029</u>
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Community Axis Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: TRADE AND OTHER RECEIVABLES	2017	2016
	\$	\$
CURRENT		
Trade debtors	78,130	171,485
Other receivables	-	-
Total Receivables	78,130	171,485

No impairment of accounts receivable and other debtors was required at 30 June 2017 (2016: \$Nil)

Credit risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the association's accounts receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the association and the counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not fully repaid to the association.

The balances of receivables that remain within initial terms (as detailed in the table below) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	>90	
2017	\$	\$	\$	\$	\$	\$	\$
Trade debtors	78,130	-	31,023	33,616	6,962	6,529	31,023
Other receivables	-	-	-	-	-	-	-
Total	78,130	-	31,023	33,616	6,962	6,529	31,023

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	>90	
2016	\$	\$	\$	\$	\$	\$	\$
Trade debtors	171,485	-	138,577	31,142	-	1,766	138,577
Other receivables	-	-	-	-	-	-	-
Total	171,485	-	138,577	31,142	-	1,766	138,577

Collateral held as security

No collateral is held as security for any of the trade debtors balances.

	Note	2017	2016
Financial assets classified as loans and receivables		\$	\$
Accounts receivables and other debtors:			
- total current	13	78,130	171,485
		78,130	171,485

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: INVENTORIES

	2017	2016
	\$	\$
E-Worx	29,337	23,051
Wood Worx	40,757	20,256
Pak Worx	14,597	13,546
Harvest Delight	33,035	-
Cafe Worx	-	21,927
Gift Worx	-	5,601
Total Inventories	117,726	84,381

NOTE 7: FINANCIAL ASSETS

	2017	2016
	\$	\$
Available-for-sale financial assets	7a 1,098,895	1,006,559
a. Available-for-sale financial assets comprise		
Investments at fair value:		
- units in managed fund at fair value	1,098,895	1,006,559
Total available-for-sale financial assets	1,098,895	1,006,559

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Land & Buildings Ind Valuation November 2014	4,187,603	2,913,688
Plant & Equipment	916,266	802,955
Less accumulated depreciation	(767,273)	(712,723)
	148,993	90,232
Computer Equipment	427,581	345,334
Less accumulated depreciation	(313,730)	(277,103)
	113,851	68,231
Motor vehicles	316,591	503,126
Less accumulated depreciation	(261,602)	(340,479)
	54,989	162,647
Office Furniture & Equipment	743,716	703,046
Less accumulated depreciation	(514,706)	(365,102)
	229,010	337,944
Total property, plant and equipment	4,734,446	3,572,742

Movements in carrying amounts

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

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Land & Buildings	Plant & Equipment	Computer Equipment	Motor Vehicles	Office Equipment
Balance at 1 July 2015	2,832,494	148,282	117,290	312,436	329,918
Additions	81,194	14,658	29,076	52,449	148,919
Disposals	-	(280)	-	(140,317)	-
Profit on disposal	-	(827)	-	63,694	-
Depreciation Expense	-	(71,601)	(78,135)	(125,615)	(140,893)
Revaluation	-	-	-	-	-
Balance at 30 June 2016	2,913,688	90,232	68,231	162,647	337,944
Additions	1,273,915	113,704	93,427	-	40,671
Disposals	-	-	-	(86,500)	-
Profit on disposal	-	-	-	47,315	-
Depreciation Expense	-	(54,943)	(47,807)	(68,473)	(149,605)
Revaluation	-	-	-	-	-
Carrying amount at 30 June 2017	4,187,603	148,993	113,851	54,989	229,010

NOTE 9: TRADE AND OTHER PAYABLES

	2017	2016
CURRENT	\$	\$
Trade creditors	90,597	99,368
Credit cards payable	15,710	15,394
GST payable	125,893	175,469
Accrued Expenses	241,394	150,286
PAYG withholding payable	44,295	42,072
Superannuation payable	45,529	37,976
Government Parental Leave	-	-
Short-term employee benefits	634,748	613,056
Total Payables	1,198,166	1,133,621
NON CURRENT		
Long-term employee benefits	120,617	109,098

a. Financial liabilities at amortised cost classified as accounts payable and other payables

Accounts payable and other payables:

- total current	1,198,166	1,133,621
- total non current	120,617	109,098

Less

- short-term employee benefits	634,748	613,056
- accrued wages	70,151	70,151
- long-term employee benefits	120,617	109,098
Financial liabilities as accounts payable and other payables	493,267	450,414

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events since the end of the reporting period.

NOTE 11: CASH FLOW INFORMATION

	2017	2016
	\$	\$
Reconciliation of cash flows from operations		
Profit /(Loss)	2,515,558	1,250,423
Non cash flows in profit		
Depreciation and amortisation	320,828	416,244
(Profit)/Loss on sale of assets	(47,315)	(62,867)
Net reinvestment in financial assets	(49,862)	(33,310)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	93,355	(83,631)
(Increase)/decrease in inventories	(33,345)	(18,807)
(Increase)/decrease in prepayments	5,352	(6,785)
Increase/(decrease) in trade and other payables	64,545	45,093
Increase/(decrease) in grants received in advance	(98,670)	98,670
Increase/(decrease) in trade and other payables non current	11,519	14,120
Cash flows (used in)/provided by operating activities	<u>2,781,965</u>	<u>1,619,150</u>

NOTE 12: RESERVES

a. General Reserve

The general reserve represents funds set aside for future expansion of the association.

b. Financial Asset Reserve

The financial asset reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in managed funds available for sale.

c. Analysis of items of other comprehensive income by each class of reserve

	2017	2016
	\$	\$
Revaluation gains/(losses) on available-for-sale assets	<u>42,474</u>	<u>(63,955)</u>
Movement in financial assets reserve	<u>42,474</u>	<u>(63,955)</u>
Revaluation decrement of land and buildings	<u>-</u>	<u>-</u>
Movement in general reserve	<u>-</u>	<u>-</u>

Community Axis Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, receivables, investments in managed funds and payables.

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:

	Note	2017 \$	2016 \$
Financial assets			
Cash on hand	4	5,765,777	4,419,029
Accounts receivable and other debtors	5	78,130	171,485
Available-for-sale financial assets:			
- investments in management funds	7	1,098,895	1,006,559
Total financial assets		6,942,802	5,597,073
Financial liabilities			
Financial liabilities at amortised cost:			
- accounts payable and other payables	9	493,267	450,414
Total financial liabilities		493,267	450,414

Financial Risk Management Policies

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided at Note 5.

Community Axis Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: FINANCIAL RISK MANAGEMENT

b. Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables (excluding employee entitlements and income received in advance)	493,267	450,414	-	-	-	-	493,267	450,414
Total expected outflows	493,267	450,414	-	-	-	-	493,267	450,414
Financial assets - cash								
Cash on hand	5,765,777	4,419,029	-	-	-	-	5,765,777	4,419,029
Trade debtors	78,130	171,485	-	-	-	-	78,130	171,485
Available-for-sale investments	1,098,895	1,006,559	-	-	-	-	1,098,895	1,006,559
Total anticipated inflows	6,942,802	5,597,073	-	-	-	-	6,942,802	5,597,073
Net (outflow)/inflows on financial instruments	6,449,535	5,146,659	-	-	-	-	6,449,535	5,146,659

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period where by a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to cash on hand.

The association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The association is exposed to other price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**NOTE 13: FINANCIAL RISK MANAGEMENT**

The association's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management consider to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Current Surplus \$	Equity \$
Year ended 30 June 2017		
+/- 2% in interest rates	+/- 40,000	+/- 40,000
+/- 10% in available-for-sale investments	+/- nil	+/- 61,449
Year ended 30 June 2016		
+/- 2% in interest rates	+/- 40,000	+/- 40,000
+/- 10% in available-for-sale investments	+/- nil	+/- 57,201

No sensitivity analysis have been performed on foreign exchange risk or price risk as the association has not significant exposure to these risks.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values*Fair Value estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

	2017		2016	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Cash on hand	5,765,777	5,765,777	4,419,029	4,419,029
Accounts receivable and other debtors	78,130	78,130	171,485	171,485
Available-for-sale financial assets:				
- investments in management funds	1,098,895	1,098,895	1,006,559	1,006,559
Total financial assets	6,942,802	6,942,802	5,597,073	5,597,073
Financial liabilities				
Financial liabilities at amortised cost:				
- accounts payable and other payables	493,267	493,267	450,414	450,414
Total financial liabilities	493,267	493,267	450,414	450,414

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: FAIR VALUE MEASUREMENTS

The association does not measure or recognise any assets or liabilities at fair value on a recurring or non-recurring basis after initial recognition.

(a) **Fair value hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach* : uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach* : converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach* : reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

	Note	Level 1 \$	Level 2 \$	Level 3 \$
2017				
Recurring fair value measurements				
Financial assets				
Available-for-sale financial assets:				
- investments in management fund	7	1,098,895	-	-
Total financial assets recognised at fair value		<u>1,098,895</u>	<u>-</u>	<u>-</u>
2016				
Recurring fair value measurements				
Financial assets				
Available-for-sale financial assets:				
- investments in management funds		1,006,559	-	-
Total financial assets recognised at fair value		<u>1,006,559</u>	<u>-</u>	<u>-</u>

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2015: no transfers).

Community AXIS Enterprises Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: ASSOCIATION DETAILS

The registered office of the Association is:

Community AXIS Enterprises Inc
22 McLachlan Street
Horsham, Victoria 3400

The principle place of business is:

Community AXIS Enterprises Inc
22 McLachlan Street
Horsham, Victoria 3400

AXIS Worx
134 Golf Course Road
Horsham, Victoria 3400

AXIS Employment
15 Albert Street
Ballarat, Victoria 3350

Unit 1, 57 Queen Street
Bendigo, Victoria 3550

Unit 1, 120-122 Lime Avenue
Mildura, Victoria 3500

268 Campbell Street
Swan Hill, Victoria 3585

40 Helen Street
Mt Gambier, South Australia 5290

Community Axis Enterprises Inc

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

We Nick Graham and Doug Clarke, being members of the committee of Community Axis Enterprises Inc certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of Community Axis Enterprises Inc during and at the end of the financial year of the association ending on 30 June 2017.

Signed:
Dated

Doug Clarke 24/11/17

Signed
Dated:

[Signature]

Dated this

24th

day of

November

2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMUNITY AXIS ENTERPRISES INC

We have audited the accompanying financial report, being a special purpose financial report, of Community AXIS Enterprises Inc (the association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, statement of other 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 certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of *Associations Incorporations Reform Act 2012 (Vic)*, and is appropriate to meet the needs of the members. The committee's responsibilities also include such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, 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 report 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Opinion

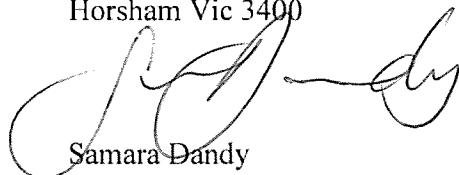
In our opinion, the financial report of Community AXIS Enterprises Inc is in accordance with the requirements of the *Associations Incorporations Reform Act 2012 (Vic)*, including:

- i. Giving a true and fair view of the association's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards as disclosed in Note 1.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Community AXIS Enterprises Inc to meet the requirements of the *Associations Incorporations Reform Act 2012 (Vic)*. As a result, the financial report may not be suitable for another purpose.

Capitis Accounting Solutions
35 McLachlan Street
Horsham Vic 3400



Samara Dandy
Partner

Dated this 24th day of November 2017

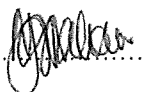
Community AXIS Enterprises Inc

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Nick Graham of Horsham certify that:

- (a) I attended the annual general meeting of the association held on *24th November* 2017.
- (b) The financial statements for the year ended 30 June 2017 were submitted to the members of the association at its annual general meeting

Dated this *24th* day of *November* 2017.

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Nick Graham (Committee Member)