



# ANNUAL REPORT

COMMUNITY AXIS  
ENTERPRISES INC.

2019



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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 Services
DOE	Department of Employment
DSS	Department of Social Services
EMS	Environmental Management System
ESA	Employment Services Area
ESS	Employment Support Services
ER	Employment Region
LMR	Labour Market Region
ISO	International Organisational Standards
NDIS	National Disability Insurance Scheme
NDS	National Disability Services
NSDS	National Standards for Disability Services
PN	ParentsNext
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 over 25 years, have specialised in providing employment services to people with a disability, injury or illness.

From the beginning back in 1992 to today, we have grown substantially and now operate 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 is currently working with over 3000 participants in our Disability Employment Service (DES), Disability Management Service (DMS), Transition to Work (TtW) and ParentsNext (PN) programs. With a focus on finding and maintaining meaningful, sustainable employment, our Employment Consultants work closely with each Participant to map a pathway to their employment and strategies for short and long term goals, training and other support needs.

Transition to Work (TtW) works with people aged 15-21 who are not currently in education or the workforce, and aims to help them find and maintain employment, or build skills through vocational education and training.

ParentsNext (PN) is a pre-employment program that assists parents with young children to prepare them to enter the workforce. Working together with their Participants, the Consultants develop a tailored Participant Plan, which outlines the pathway to achieving their education and employment goals for the future.

AXIS Worx is an Australian Disability Enterprise (ADE) that provides supported employment for people with disabilities who are unable to work in open employment. We offer meaningful work across 4 departments; 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 service and workplace opportunities for people with all abilities

# BOARD OF GOVERNANCE

**Bev Miatke**

*Board Chair*



**SUPPORT WORKER**

Christian Emergency Food  
Centre

Years of Service: 10

**Tim Shaw**

*Vice Chairperson*



**EXECUTIVE OFFICER**

Wimmera Southern  
Mallee LLEN

Years of Service: 2

**Doug Clarke**

*Treasurer*



**TECHNICAL OFFICER  
(RETIRED)**

Years of Service: 14

**David Eltringham**

*Secretary*



**SENIOR MANAGER  
TECHNICAL SERVICES  
(RETIRED)**

Horsham Rural City Council

Years of Service: 6

**Diana McDonald**

*Board Member*



**HR & RISK  
COORDINATOR**

Horsham Rural City  
Council

Years of Service: 2

**Philip Sabien**

*Board Member*



**DIRECTOR OF BUSINESS  
PERFORMANCE &  
INNOVATION MANAGER**

Wimmera Health Care Group

Years of Service: 1

# CHAIRPERSON'S REPORT

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Wow, what a huge year! But it seems that these words could be the opening sentence of the Chair's Report every year, especially over the past five or so years. Each year we continue to build on past successes and grow and achieve new ones. This time last year we had only just begun the new DES 2018 program and the NDIS was just beginning. Whilst this new environment was a huge challenge it also provided new opportunities to open new offices in brand new areas. This was hard work and a big step to take but this year came the hard slog of putting ourselves into these new communities and showing them just who we are and what we do whilst maintaining our standards in our already established areas.

The work that each of you, as Community AXIS Enterprises employees, do day-to-day is our biggest success story. Each time you find work for one of your clients you change not only their lives but also impact the lives of their families, friends and supporters. Being able to go to work and achieve something each day gives people a real sense of purpose and fulfillment. It can help with how they see themselves and their role in the community. It's not just about getting a pay check at the end of each week although this aspect is, of course, very important too.

When you care about the clients you are serving and are prepared to work hard to ensure their success you are also ensuring our success as an organisation. When people proudly tell their family and friends of their new opportunities and achievements, they are also telling them who it is who has helped them. In this way Community Axis Enterprises is getting to become known in new communities and gaining a great reputation.

I was very heartened to read some of the comments written in the NSDS report following a recent audit, in regard to AXIS Employment: Both observation and interviews with job seekers provided evidence that across all sites the service treats individuals with dignity and respect. Comments included "Felt valued as had input, not told what to do", "When you come in you are made to feel important, that they are interested in you"; "Don't feel awkward going in there"; and "When you go in treated as a human-being, not a number." (NSDS Audit Report page 11)





# CHAIRPERSON'S REPORT

Participants interviewed all confirmed that they have provided input into the type of employment they are seeking and that the employment consultant considers their disability and/or medical condition in making suggestions. “Listen to what I want, if they find a job that isn’t right, they listen to me” and “Takes into consideration my mental health, care about me not the pay cheque.” This is exactly the type of feedback that I and my fellow Board members love to hear. It speaks to the very reason we love being involved in this organisation knowing that what we do plays a part in making a positive impact in people’s lives and that it is being done in a caring and respectful way.

A very special thank you must go to your management and leadership teams. Starting at the top with Colin Barnett as CEO, Graeme Eldridge, Deputy CEO and Viv Watson, Executive Director of Operations. They each do an amazing job and are so passionate about what they do which then flows on to each level of management and throughout the whole organisation.

Well done to you all no matter what level you are or what program you’re involved in. Thank you also for the input and dedication of my fellow Board members: Tim Shaw (Deputy Chair), Doug Clarke (Treasurer), David Eltringham (Secretary), Philip Sabien (Member) and Diana McDonald (Member).

You’ve each put in a very big effort this past year and it is very much appreciated.

**Bev Miatke - Board Chair**



# CEO'S REPORT

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After significant growth in 2018, what was planned to be a period of consolidation throughout 2019, has turned out to be continued growth, albeit manageable growth.

The introduction of the NDIS has allowed Axis Worx to offer additional Supported Employment opportunities. Growth in our manufacturing and E-waste divisions has created the opportunity to increase our supported workforce to 45 with scope for higher numbers following changes to rostering and the potential of increased production and processing. Additional providers and the loss of guaranteed market share has not slowed our growth, nor our performance in the Disability Employment Services (DES) space. In fact, we have continued to thrive. Across our eight Employment Services Areas (ESA's), Grampians, Eureka, Bendigo, Sunraysia, Mid Murray, South East SA, Hampden and Western District, we are now servicing more than 2,200 people who have chosen us to help them find and maintain employment.

"To Inspire and Empower People Through Employment", our reputation of treating people with respect and wanting the very best for them is a proven recipe for success and I believe our program participants would agree with this.

Twelve months into the new ParentsNext program we are providing services to more than 1,200 parents. Our high level of service delivery is assisting these people in connecting to the community through appropriate activities as well as prepare them for a return to the workforce. The success of the Transition to Work (TtW) program has encouraged the Government to extend the eligibility criteria for participants to 24 years of age, and with a contract extension through to 2022, the program has a strong future. Our achievements in the Wimmera Mallee Employment Region, where we are now funded to provide services to 171 participants, has been a major contributor to this success and provides program security and continuity of service for our participants.

Our strength is our people. Our Staff, from supported employees, to Department Supervisors, Customer Service, Consultants, Business Development, Corporate Services, Quality, IT, Training, Regional Managers, Directors and Board. We have all played our part in the success that CAEI has achieved this year. Thank you on a job well done. I am proud of what we have achieved and where we are now, which stems from a desire to achieve the very best for our organisation, our program participants, employers, staff and the communities in which we deliver our services.





# CEO'S REPORT

We are now employing 120 staff, offering a diverse range of employment related services to around 3,500 program participants from 8 full time offices, 4 Part-time offices and more than 40 Outreach offices located throughout Western Victoria and South East SA. We know that the work we are doing to help people find and maintain a job and connect them to their communities, makes a positive impact in their lives, contributing to better physical and mental health and adds value to our local communities. Businesses and employers offer valuable 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.

We have continued to achieve Certification of Conformity against Quality Standards ISO 9001-2015, ISO 14001-2015 and National Standards for Disability Services (NSDS). We are now working toward the new NDIS Quality and Safeguarding Framework. On the back of a strong 2018, we achieved \$2.048m surplus, increasing our cash reserves to \$9.0m. With additional investment and property assets of \$7.2m, we are in great shape and well positioned for continued success.

I would like to acknowledge the valuable contribution of CAEI's Directors, Graeme, Viv, Brendan, Bill and Amanda. Thank you also to the wonderful support provided by our Board of Governance. Chair Bev Miatke, Vice Chair Tim Shaw, Treasurer Doug Clarke, Secretary David Eltringham and Board members, Diana McDonald and Philip Sabien, who all give their valuable time and continue to show faith and support in our Management and leadership.

**Colin Barnett- CEO**



# SERVICE RECOGNITION

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**Graeme Eldridge** AXIS Employment Staff – 25yrs

**Carolyn Baker** AXIS Employment Staff – 10yrs

**Rosemary Fitzgerald** AXIS Worx Supported Employee – 30yrs

**Wesley Howard** AXIS Worx Supported Employee – 20 yr

**Michael Huf** AXIS Worx Supported Employee – 20yrs

**Matthew Quarrell** AXIS Worx Supported Employee – 15yrs

**Beverly Miatke** CAEI Board Member– 10yrs

*Congratulations*

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# DONATIONS & SPONSORSHIP

St Brigid's College	Dimboola Football & Netball Club
Speaking Insights	Murtoa Golf Club
St. Michael's Football & Netball Club	Wimmera Regional Sports Assembly
Horsham Agricultural Society Inc.	Horsham West & Haven Primary School
Bevanart Signs & Graphics	Harrow Balmoral FNC
Warracknabeal Action Group	Horsham Rural City Council
Lions Club of Ballarat	Bendigo City Framers
Ss Michael & John's Primary School, Horsham	Drung Golf Club
Horsham Amateur Basketball Association Inc	McCallum Disability Services
Christian Emergency Food Centre	Redan Football Netball Club Inc
Wimmera Health Care Group Foundation	Ballarat Bulldogs FNC
Stawell Racing Club	Vikings FC
Christian Ministers Association	Bendigo Golf Club
Wimmera & Southern Mallee Careers Association	Sedgwick Cricket Club
Horsham Lanes and Games	BEAM All Abilities Dance & Fitness
Horsham Fishing Comp	Kalianna Special School
Laharum Sports Inc.	Golden Square Cricket Club
Horsham Arts Council	Haven Home, Safe
Mick Harrison Signs Pty. Ltd.	Bendigo Stadium
Warrack Eagles FNC	Loddon Campaspe Multicultural Services
Mount Pleasant Football Netball Club	Gisborne Golf Club
Demons Basketball Club (Mildura) Inc.	Heathcote Golf Club
Bambill Football Netball Club	Bart n Print
Swan Hill Murray Cods	Sports Power
Central Murray Australian Football Commission	Sunraysia Football Netball Club
Robinvale Euston Football Netball Club	Swan Hill District Agricultural & Pastoral Society
Signarama	Cohuna Kangas Football Netball Club
South East Community Access Radio Inc	Woorinen Football Netball Club
Foodland	The Mount Gambier Golf Club
Everyday Hero	Millicent & District International B'ball Assoc.
Kybybolite Memorial Sports Club	Tarpeena Progress Association Inc.
Government of South Australia	Dry July
Cancer Council Victoria	Warrnambool & District Food Share
Heathmere Football Netball Club	

FINANCIAL STATEMENTS

- OF -

**COMMUNITY AXIS ENTERPRISES INC**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

**Community AXIS Enterprises Inc**

**ABN: 48 208 409 903**

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## Community AXIS Enterprises Inc

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
Revenue	2	17,354,093	15,154,325
Cost of Sales Expense		674,252	601,276
Advertising & Promotions Expenses		280,050	170,906
Audit and Accounting fees	3	14,500	14,500
Client Expenses		697,035	422,031
Depreciation Expense		369,719	266,291
Equipment Hire Expense		925	323
Employee Benefits Expense		7,185,207	5,647,901
Employer Incentive Expense		1,693,497	1,996,996
General Office Expense		804,282	687,267
Honorariums Expense		5,500	4,500
Interest & Borrowing Expense		8,713	13,838
Minor Equipment Expense		22,389	48,483
Motor Vehicle Expenses		1,182,564	885,332
Donations and Sponsorship Expense		128,118	6,068
Rent Expense		597,214	495,014
Repairs & Maintenance Expense		129,645	97,241
Staff Training Expense		32,343	23,571
Telephone, Fax & Internet Expense		358,010	228,845
Travelling Expenses		39,264	29,337
Wage Subsidy Payment		1,082,848	985,986
<b>Total Expenditure</b>		<b>15,306,075</b>	<b>12,625,706</b>
<b>Net current year surplus</b>		<b>2,048,018</b>	<b>2,528,619</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Loss on revaluation of land and buildings	12	25,000	(371,851)
		25,000	(371,851)
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value remeasurement gains on available-for-sale financial assets	12	24,328	39,907
		24,328	39,907
<b>Total other comprehensive income for the year</b>		<b>49,328</b>	<b>(331,944)</b>
<b>Total comprehensive income for the year</b>		<b>2,097,346</b>	<b>2,196,675</b>
Net current year surplus attributable to members of the entity		2,048,018	2,528,619
Total comprehensive income attributable to members of the entity		2,097,346	2,196,675

The accompanying notes form part of this financial report.



# Community AXIS Enterprises Inc

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	9,042,043	7,480,199
Trade and other receivables	5	470,422	104,104
Inventories	6	82,476	83,310
Prepayments		40,505	44,614
<b>Total Current Assets</b>		<b>9,635,446</b>	<b>7,712,227</b>
<b>Non Current Assets</b>			
Financial assets	7	1,304,246	1,211,393
Property, plant & equipment	8	5,990,458	5,487,939
<b>Total Non Current Assets</b>		<b>7,294,704</b>	<b>6,699,332</b>
<b>Total Assets</b>		<b>16,930,150</b>	<b>14,411,559</b>
<b>Current Liabilities</b>			
Unexpended grants		-	-
Trade and other payables	9	2,004,661	1,576,641
<b>Total Current Liabilities</b>		<b>2,004,661</b>	<b>1,576,641</b>
<b>Non Current Liabilities</b>			
Trade and other payables	9	125,567	132,342
<b>Total Non Current Liabilities</b>		<b>125,567</b>	<b>132,342</b>
<b>Total Liabilities</b>		<b>2,130,228</b>	<b>1,708,983</b>
<b>Net Assets</b>		<b>14,799,922</b>	<b>12,702,576</b>
<b>Members' Funds</b>			
Reserves	12	331,870	282,542
Retained profits		14,468,052	12,420,034
<b>Total Members' Funds</b>		<b>14,799,922</b>	<b>12,702,576</b>

The accompanying notes form part of this financial report.

## Community Axis Enterprises Inc

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	General Reserve \$	Financial Asset Reserve \$	Retained Surplus \$	Total \$
<b>Balance at 1 July 2017</b>	605,067	9,419	9,891,415	10,505,901
<i><b>Comprehensive income</b></i>				
Net surplus for the year	-	-	2,528,619	2,528,619
Other comprehensive income for the year	(371,851)	39,907	-	(331,944)
<i><b>Total comprehensive income attributable to the members of the entity</b></i>	(371,851)	39,907	2,528,619	2,196,675
<b>Balance at 30 June 2018</b>	233,216	49,326	12,420,034	12,702,576
<b>Balance at 1 July 2018</b>	233,216	49,326	12,420,034	12,702,576
<i><b>Comprehensive income</b></i>				
Net surplus for the year	-	-	2,048,018	2,048,018
Other comprehensive income for the year	25,000	24,328	-	49,328
<i><b>Total comprehensive income attributable to the members of the entity</b></i>	25,000	24,328	2,048,018	2,097,346
<b>Balance at 30 June 2019</b>	<b>258,216</b>	<b>73,654</b>	<b>14,468,052</b>	<b>14,799,922</b>

## Community Axis Enterprises Inc

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		462,622	833,108
Receipt from Grants		16,373,206	14,115,725
Payments to suppliers and employees		(14,504,348)	(11,944,036)
Interest Received		78,287	82,547
<b>Net cash (used in)/generated from operating activities</b>	11	<b>2,409,767</b>	<b>3,087,344</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of investments		(10,585)	-
Payment for property, plant and equipment		(839,075)	(1,404,822)
Proceeds from sale of property, plant and equipment		1,737	31,900
<b>Net cash used in investing activities</b>		<b>(847,923)</b>	<b>(1,372,922)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings		-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,561,844</b>	<b>1,714,422</b>
Cash at the Beginning of the Financial Year		7,480,199	5,765,777
<b>Cash at the end of the Financial Year</b>	4	<b>9,042,043</b>	<b>7,480,199</b>

The accompanying notes form part of this financial report.

## **Community AXIS Enterprises Inc**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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#### **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 \_\_\_\_\_ 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 2019**

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#### **(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 2019

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#### 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 2019

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#### **(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 2019

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(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 2019**

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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 2019**

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#### **(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.

#### **(k) Revenue and Other Income**

## **Community AXIS Enterprises Inc**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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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.

#### **(I) 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 2019**

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#### **(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 Social Services (DSS) 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 2019

<b>NOTE 2: REVENUE</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Sales Revenue	650,680	595,046
Australian Disability Services	92,974	356,731
Office Rental	22,030	27,599
Other	156,225	235,937
NDIS Funding	536,102	224,040
Quality Assurance Subsidy	-	34,750
Disability Employment Services	11,267,028	11,648,874
Transition to Work Program	1,321,702	1,278,901
Disability Management Services	1,586,798	572,429
ParentsNext Funding	1,568,602	-
Donations	5	500
Interest & Dividends	142,047	160,805
Profit on sale of Non-current Assets	9,900	18,713
<b>Total Income</b>	<b>17,354,093</b>	<b>15,154,325</b>

<b>NOTE 3: AUDITORS FEE</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the association for:		
- auditing or reviewing the financial report	14,500	14,500
- other services	-	-
	<b>14,500</b>	<b>14,500</b>

<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	4,035,957	5,476,101
Cash on hand	6,086	4,098
Short term deposits	5,000,000	2,000,000
<b>Total cash assets</b>	<b>9,042,043</b>	<b>7,480,199</b>

The effective interest rate on short-term bank deposits was 2.48% (2018: 2.90%); these deposits have an average maturity of 471 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	<b>9,042,043</b>	<b>7,480,199</b>
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# Community Axis Enterprises Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade debtors	144,509	104,104
Other receivables	325,913	-
<b>Total Receivables</b>	<b>470,422</b>	<b>104,104</b>

No impairment of accounts receivable and other debtors was required at 30 June 2019 (2018: \$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.

	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>Past Due but Not Impaired (Days Overdue)</b>				<b>Within Initial Trade Terms</b>
			<b>&lt; 30</b>	<b>31-60</b>	<b>61-90</b>	<b>&gt;90</b>	
<b>2019</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade debtors	144,509	-	60,873	58,313	6,260	19,063	60,873
Other receivables	325,913	-	325,913	-	-	-	325,913
<b>Total</b>	<b>470,422</b>	<b>-</b>	<b>386,786</b>	<b>58,313</b>	<b>6,260</b>	<b>19,063</b>	<b>386,786</b>

	<b>Gross Amount</b>	<b>Past Due and Impaired</b>	<b>Past Due but Not Impaired (Days Overdue)</b>				<b>Within Initial Trade Terms</b>
			<b>&lt; 30</b>	<b>31-60</b>	<b>61-90</b>	<b>&gt;90</b>	
<b>2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade debtors	104,104	-	77,406	24,813	830	1,055	77,406
Other receivables	-	-	-	-	-	-	-
<b>Total</b>	<b>104,104</b>	<b>-</b>	<b>77,406</b>	<b>24,813</b>	<b>830</b>	<b>1,055</b>	<b>77,406</b>

### Collateral held as security

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

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets classified as loans and receivables</b>			
Accounts receivables and other debtors:			
- total current	13	470,422	104,104
		<b>470,422</b>	<b>104,104</b>

# Community AXIS Enterprises Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 6: INVENTORIES

	2019	2018
	\$	\$
E-Worx	27,417	20,894
Wood Worx	41,227	34,260
Pak Worx	9,753	10,925
Harvest Delight	4,079	17,231
<b>Total Inventories</b>	<b>82,476</b>	<b>83,310</b>

### NOTE 7: FINANCIAL ASSETS

	2019	2018
	\$	\$
Available-for-sale financial assets	7a 1,304,246	1,211,393

a. Available-for-sale financial assets comprise

Investments at fair value:

- units in managed fund at fair value

Total available-for-sale financial assets

1,304,246	1,211,393
<u>1,304,246</u>	<u>1,211,393</u>

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Land & Buildings Ind Valuation October 2017	4,868,699	4,805,000
Plant & Equipment	867,229	1,072,525
Less accumulated depreciation	(629,803)	(791,244)
	<u>237,426</u>	<u>281,281</u>
Computer Equipment	569,166	496,398
Less accumulated depreciation	(400,658)	(365,609)
	<u>168,508</u>	<u>130,789</u>
Motor vehicles	221,202	221,202
Less accumulated depreciation	(218,371)	(205,259)
	<u>2,831</u>	<u>15,943</u>
Office Furniture & Equipment	1,491,356	890,880
Less accumulated depreciation	(778,362)	(635,954)
	<u>712,994</u>	<u>254,926</u>
<b>Total property, plant and equipment</b>	<b>5,990,458</b>	<b>5,487,939</b>

### 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 2019

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Land & Buildings	Plant & Equipment	Computer Equipment	Motor Vehicles	Office Equipment
Balance at 1 July 2017	4,187,603	148,993	113,851	54,989	229,010
Additions	989,248	199,594	68,817	-	147,163
Disposals	-	(500)	-	(31,400)	-
Profit on disposal	-	500	-	18,214	-
Depreciation Expense	-	(67,306)	(51,879)	(25,860)	(121,247)
Revaluation	(371,851)	-	-	-	-
Balance at 30 June 2018	4,805,000	281,281	130,789	15,943	254,926
Additions	38,699	46,539	110,280	-	643,557
Disposals	-	(1,737)	-	-	-
Profit on disposal	-	9,900	-	-	-
Depreciation Expense	-	(98,557)	(72,561)	(13,112)	(185,489)
Revaluation	25,000	-	-	-	-
Carrying amount at 30 June 2019	4,868,699	237,426	168,508	2,831	712,994

### NOTE 9: TRADE AND OTHER PAYABLES

	2019	2018
CURRENT	\$	\$
Trade creditors	472,244	296,017
Credit cards payable	47,746	39,255
GST payable	163,957	141,391
Accrued Expenses	233,218	222,115
PAYG withholding payable	72,700	50,779
Superannuation payable	54,725	43,178
Government Parental Leave	-	4,233
Short-term employee benefits	960,071	779,673
<b>Total Payables</b>	<b>2,004,661</b>	<b>1,576,641</b>
NON CURRENT		
Long-term employee benefits	125,567	132,342

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

Accounts payable and other payables:

- total current	2,004,661	1,576,641
- total non current	125,567	132,342

Less

- short-term employee benefits	960,071	779,673
- accrued wages	208,480	190,148
- long-term employee benefits	125,567	132,342
Financial liabilities as accounts payable and other payables	<b>836,110</b>	<b>606,820</b>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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

	2019	2018
	\$	\$
<b>Reconciliation of cash flows from operations</b>		
Profit /(Loss)	2,048,018	2,528,619
Non cash flows in profit		
Depreciation and amortisation	369,719	266,291
(Profit)/Loss on sale of assets	(9,900)	(18,713)
Net reinvestment in financial assets	(57,940)	(72,591)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(366,318)	(25,974)
(Increase)/decrease in inventories	834	34,416
(Increase)/decrease in prepayments	4,109	(14,904)
Increase/(decrease) in trade and other payables	428,020	378,475
Increase/(decrease) in grants received in advance	-	-
Increase/(decrease) in trade and other payables non current	(6,775)	11,725
Cash flows (used in)/provided by operating activities	<u>2,409,767</u>	<u>3,087,344</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

	2019	2018
	\$	\$
Revaluation gains/(losses) on available-for-sale assets	<u>24,328</u>	<u>39,907</u>
Movement in financial assets reserve	<u>24,328</u>	<u>39,907</u>
Revaluation increment/(decrement) of land and buildings	<u>25,000</u>	<u>(371,851)</u>
Movement in general reserve	<u>25,000</u>	<u>(371,851)</u>



## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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	2019 \$	2018 \$
<b>Financial assets</b>			
Cash on hand	4	9,042,043	7,480,199
Accounts receivable and other debtors	5	470,422	104,104
Available-for-sale financial assets:			
- investments in management funds	7	1,304,246	1,211,393
<b>Total financial assets</b>		<b>10,816,711</b>	<b>8,795,696</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- accounts payable and other payables	9	836,110	606,820
<b>Total financial liabilities</b>		<b>836,110</b>	<b>606,820</b>

#### 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.

##### b. Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling



## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 13: FINANCIAL RISK MANAGEMENT

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	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Accounts payable and other payables (excluding employee entitlements and income received in advance)	836,110	606,820	-	-	-	-	836,110	606,820
Total expected outflows	836,110	606,820	-	-	-	-	836,110	606,820
<b>Financial assets - cash</b>								
Cash on hand	9,042,043	7,480,199	-	-	-	-	9,042,043	7,480,199
Trade debtors	470,422	104,104	-	-	-	-	470,422	104,104
Available-for-sale investments	1,304,246	1,211,393	-	-	-	-	1,304,246	1,211,393
Total anticipated inflows	10,816,711	8,795,696	-	-	-	-	10,816,711	8,795,696
Net (outflow)/inflows on financial instruments	9,980,601	8,188,876	-	-	-	-	9,980,601	8,188,876

#### *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.

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.

# Community Axis Enterprises Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 13: FINANCIAL RISK MANAGEMENT

	Current Surplus \$	Equity \$
Year ended 30 June 2019		
+/- 2% in interest rates	+/- 100,000	+/- 100,000
+/- 10% in available-for-sale investments	+/- nil	+/- 130,424

Year ended 30 June 2018		
+/- 2% in interest rates	+/- 40,000	+/- 40,000
+/- 10% in available-for-sale investments	+/- nil	+/- 121,139

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.

	2019		2018	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
<b>Financial assets</b>				
Cash on hand	9,042,043	9,042,043	7,480,199	7,480,199
Accounts receivable and other debtors	470,422	470,422	104,104	104,104
Available-for-sale financial assets:				
- investments in management funds	1,304,246	1,304,246	1,211,393	1,211,393
<b>Total financial assets</b>	<b>10,816,711</b>	<b>10,816,711</b>	<b>8,795,696</b>	<b>8,795,696</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- accounts payable and other payables	836,110	836,110	606,820	606,820
<b>Total financial liabilities</b>	<b>836,110</b>	<b>836,110</b>	<b>606,820</b>	<b>606,820</b>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 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

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

We Bev Miatke 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 2019.

Signed:

Dated

Bev Miatke

Signed

Dated:

Doug Clarke

Dated this

11<sup>th</sup>

day of

October

2019

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 \$
<b>2019</b>				
<b>Recurring fair value measurements</b>				
Financial assets				
Available-for-sale financial assets:				
- investments in management funds	7	1,304,246	-	-
Total financial assets recognised at fair value		1,304,246	-	-
<b>2018</b>				
<b>Recurring fair value measurements</b>				
Financial assets				
Available-for-sale financial assets:				
- investments in management funds		1,211,393	-	-
Total financial assets recognised at fair value		1,211,393	-	-

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2018: no transfers).

#### NOTE 15: ASSOCIATION DETAILS

The registered office of the Association is:

Community AXIS Enterprises Inc  
9 Firebrace Street  
Horsham, Victoria 3400

The principle place of business is:

Community AXIS Enterprises Inc  
9 Firebrace Street  
Horsham, Victoria 3400

90 Barkly Street  
Ararat, Victoria 3377

40 Helen Street  
Mt Gambier, South Australia 5290

134 Golf Course Road  
Horsham, Victoria 3400

56 Queen Street  
Bendigo, Victoria 3550

15 Ormerod Street  
Naracooret, South Australia 5271

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

268 Campbell Street  
Swan Hill, Victoria 3585

1/1 Fredericks Place  
Portland, Victoria 3305

66 Kepler Street  
Warrnambool, Victoria 3280

15 Albert Street  
Ballarat, Victoria 3350

15 Violet Grove  
Wendouree West, Victoria 3355

111 Main Street  
Stawell, Victoria 3380



## 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 2019, 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.

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*Opinion*

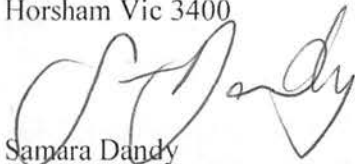
In our opinion, the financial report of Community AXIS Enterprises Inc is in accordance with the requirements of the *Associations Incorporations Reform Act 2012 (Vic)*, including:

- i. Giving a true and fair view of the association's financial position as at 30 June 2019 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 ... 11 ... day of ... October ... 2019

## Community AXIS Enterprises Inc

### CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, \_\_\_\_\_ of Horsham certify that:

- (a) I attended the annual general meeting of the association held on \_\_\_\_\_ 2019.
- (b) The financial statements for the year ended 30 June 2019 were submitted to the members of the association at its annual general meeting

Dated this 11<sup>th</sup> day of October 2019.

Ben Matke

(Committee Member)

