

# *Community AXIS Enterprises Inc.*

## ANNUAL REPORT





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# WHO ARE WE

Community Axis Enterprises Incorporated (CAEI) is a not-for-profit organisation who, for over 30 years, have specialised in providing employment services to people with a disability, injury or illness.

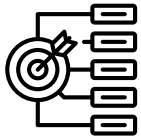
From the beginning back in 1991 to today, we have grown substantially and now operate throughout much of Western Victoria and South-east South Australia, with our head office located in Horsham.

CAEI operates under two arms, AXIS Employment and AXIS Worx. AXIS Employment is currently working with over 4000 participants in our Disability Employment Service (DES), 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 15-24 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 a Social Enterprise that provides supported employment for people with disabilities who are unable to work in open employment. We offer meaningful work across 3 departments; Pak Worx, Wood Worx and E-Worx. Our Social Enterprise is a registered NDIS Provider for Specialised Employment Services.

# VISION STATEMENT



## 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 with all abilities

# BOARD OF GOVERNANCE

**BEV MIATKE**

*Chairperson*

Years of Service: 13



**Client Assessment  
Manager**

*Christian Emergency  
Food Centre*

**TIM SHAW**

*Vic Chairperson*

Years of Service: 5



**Executive Officer**

*Wimmera Southern  
Mallee LLEN*

**DOUG CLARK**

*Treasurer*

Years of Service: 17



**Technical Officer  
(Retired)**

**DAVID**

**ELTRINGHAM**

*Secretary*

Years of Service: 9



**Senior Manager  
Technical Services  
(Retired)**

*Horsham Rural City  
Council*

**DIANA**

**MCDONALD**

*Board Member*

Years of Service: 5



**HR & Risk  
Coordinator**

*Horsham Rural City  
Council*

**PHILIP**

**SABIEN**

*Board Member*

Years of Service: 4



**Director of Business Performance  
& Innovation**

*Wimmera Health Care  
Group*

# LEADERSHIP TEAM

**COLIN BARNETT**

*Chief Executive  
Officer*



Years of Service: 21

**GRAEME  
ELDRIDGE**

*Deputy Chief  
Executive Officer*



Years of Service: 27

**VIV WATSON**

*Executive Director of  
Operations*



Years of Service: 19

**BRENDAN  
DORAN**

*Director of  
Programs & Business  
Development*



Years of Service: 15

**AMANDA  
TROETH**

*Director of  
Finance & Governance*



Years of Service: 15

**BILL  
SCHMIDT**

*Director of  
Social Enterprises*



Years of Service: 16

# Head Office

## MIDDLE MANAGEMENT TEAM

Training & Compliance Manager  
Quality & Systems Manager  
Finance Manager  
Corporate Services Manager

*Carolyn Baker*  
*Nathan Neumann*  
*Sarah Johns*  
*Tom Stevenson*

## OFFICERS

Claims Officer  
Claims Officer  
Payroll Officer  
Finance Officer  
Customer Services Officer  
Customer Services Officer  
(Stawell)  
Corporate Services Officer  
Corporate Services Officer

*Madeline Werner*  
*Hazel Edwards*  
*Courtney McRae*  
*Jessica Relouw*  
*Sophie Barnett*  
*Robyn Bowen*  
  
*Cohen Muller*  
*Dante Szel*

# Horsham

Regional Manager  
Assistant Manager  
Business Development  
Officer

*Nathan Martin*  
*Kristy Robertson*  
*Courtney Clough*

## CONSULTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant  
Youth Employment Consultant  
Youth Employment Consultant

*Jenna Wills*  
*Josh Pickering*  
*Karl Mitton*  
*Nathalie Henry*  
*Sarah McIvor*  
*Simon Rohde*  
*Steve McRae*  
*Tamara Collier*  
*Carlie Goodin*  
*Chris Overman*  
*Jake Myerscough*



# Bendigo

Regional Manager  
Assistant Manager  
Regional Support Officer

*Jeff Else  
Kyle Walsh  
Adrianna Grubelnik*

## OFFICERS

Customer Service Officer  
Customer Service Officer

*Anna Blake  
Kirra Paterson*

## CONSUTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant  
ParentsNext Consultant  
ParentsNext Consultant  
ParentsNext Consultant  
Youth Employment Consultant  
Youth Employment Consultant  
Youth Employment Consultant

*Abe Leathlean  
Amber Tierney  
Amy Rosetta  
Jackson Gerrard  
Jessica Petersen  
Jimmy Black  
Kasey Troy  
Bray Myles  
Tim Nolan  
Mick Mahon  
Shelly Smith  
Summer Dixon  
Teegan Stirling  
Tyson Hodges  
Amanda McDonald  
Bridget Hughes  
Jessica Nowell  
Lyndell Fraser  
Daniel Farrelly  
Matthew Gray  
Sam Best*

# Ballarat

Regional Manager  
Assistant Manager  
Business Development Officer

*Tom Robertson  
Jamie Woods  
Brendan Thompson*

## OFFICERS

Customer Service Officer  
Customer Service Officer  
Customer Service Officer  
(Wendouree)

*Annie Henderson  
Hayley Cameron  
Trish Hayward*

## CONSULTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant

*Ashlea Peterson  
Darryn Reed  
David Youlden  
Denise McCarthy  
Emily Hateley  
Jayde Deicmanis  
Jim Murphy  
Karin Hanak  
Katelyn Mulraney  
Lisa Warrne  
Patrick Te  
Sam Pridan*

# Portland

Regional Manager

*Mark Hutchinson*

## CONSULTANTS

ParentsNext Consultant/  
Customer Service Officer  
DES Employment Consultant  
DES Employment Consultant

*Jade Cockerill  
  
Katrina Knowles  
Lei Kelly*

# Mildura

Regional Manager  
Assistant Manager

*Carl Robertson  
Loren Hill*

## OFFICERS

Customer Service Officer

*Erica Smith*

## CONSUTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant/  
ParentsNext Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant  
Youth Employment Consultant  
Youth Employment Consultant

*Joshua Bailey  
Kate Gathercole  
Kelly Guthrie  
  
Kim Johnson  
Josh Bottams  
Kris Vuik  
Abby Challis  
Bradley Hamence  
Corey Walker*

# Swan Hill

Regional Manager  
Assistant Manager

*Marcus Demaria  
Tony Zucco*

## OFFICERS

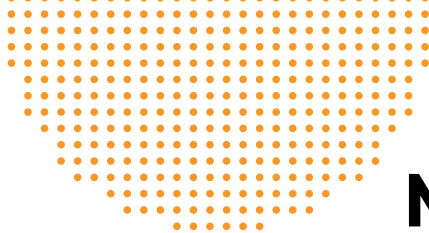
Customer Service Officer

*Ashlyn Bourke*

## CONSUTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant

*Ashlee Mason  
Casey Unger  
Cristie Longmore  
Jason Mangiameli  
Nichola Pye  
Stacey Selleck  
Louise Rohde*



# Mt Gambier

Regional Manager  
Assistant Manager

*Rodney Versteegh  
Karren Owen*

## OFFICERS

Customer Service Officer

*Jessica Grigg*

## CONSUTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant  
ParentsNext Consultant

*Chris Yates  
Dally Victor  
Joe Denamn  
Lee Green  
Lia Carr  
Michele Colbert  
Samantha Hobbs  
Ciara Donovan  
Kalisha Stuckey*

# Warrnambool

Regional Manager

*Quinton Bentley*

## OFFICERS

Customer Service Officer

*Shirley Fox*

## CONSUTANTS

DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
DES Employment Consultant  
ParentsNext Consultant  
ParentsNext Consultant

*Alistair King  
Cheyenne Oliver  
Chloe Robbins  
Kara Lucas  
Linda Gasper  
Nicole Stuckey  
Shenae Hyder*



# AXIS Worx

Director of Social Enterprises

*Bill Schmidt*

Client Services Manager

*Helen Crafter*

## SUPERVISORS

Wood Worx Supervisor

*Chris Laidlaw*

E-Worx Supervisor

*Paul Pumpa*

Pak-Worx Supervisor

*Kellie Watkins*

Maintenance Supervisor

*Graeme Lewis*





# CHAIRPERSONS REPORT

Finally, it seems the effects of Covid-19 are waning. After 3 long years of disruption, it seems we are finally on a far more even keel. There are both positive and negative after-effects from such a world-wide tumultuous event. On the negative, most people and organisations find they are far less sure of the future and on the positive, they realise that they were able to make changes in their lives and businesses that helped them get through such a difficult time. We have all learned valuable lessons and here at Axis our Management and Leadership teams, together with the Board, have found that success is still possible even in the midst of the turmoil.

We have had another amazingly successful year by making sure we take care of our core business of helping vulnerable people find fulfilment through work. This happens through all our programs and activities, whether it be Disability Employment Services, Transition to Work, ParentsNext or Axis Worx.

CONTINUES 

# CHAIRPERSONS REPORT

Well done to each and every staff member for your contribution to our success. To the Management and Leadership teams for their insights and skills throughout the ups and downs. To those who have talked one on one to their Program Participants and worked so hard to bolster their confidence and encouraged and enabled them through the process to find a job. Also, to those who encouraged employers and businesses to look at abilities instead of disabilities. Thank you all so much, no matter what job you do, for working through the difficulties, finding ways around them and creating success in spite of them.

I, and my fellow Board members are so proud of you all and proud to be a part of such an amazing, caring, and successful organisation.

The year ahead will, once again, hold many challenges that are out of our control, like the global economic situation, but I have great confidence that we are well placed to face these challenges and still come out on top!

BEV MIATKE  
- CHAIRPERSON

# CEO'S REPORT

After almost three years, we're still talking about COVID, and although we are well positioned now, this time last year we were still navigating "lockdowns"

As a reminder, we incurred a "Snap 5 day Lockdown" for all of Victoria in July. We closed the doors and exercised our remote servicing abilities. Then Regional Victoria went into a two week lockdown at the end of August. Ballarat had a Snap 7 Day Lockdown in September and Mildura the same in October.

We called ourselves "Authorised Workers" and issued Authorised Worker Permits to staff, just so we could continue coming to work.

Mandatory vaccinations were introduced for Authorised Workers, the first in October, the second in November and then the third in January. And we couldn't work without proof of vaccination status.

Participant Mutual Obligations remained suspended and were only reintroduced along with face-to-face servicing in October.

We learned that Remote Working Business Self Assessments were gone, replaced by the State Government's Stay at Home Directions, Restricted Activity Directions and Authorised Provider and Authorised Worker Lists.

And just like last year, we were able to pay staff normally and continue to deliver our services, supporting some of the most vulnerable people in our communities. And all through, we've exceeded our contractual obligations.

CONTINUES



# CEO'S REPORT

At around 2,500 participants, Disability Employment Services constituted 73% of our total income. Although we were kept waiting for our performance Star Ratings, the result was outstanding, recording above the National average in all 16 contracts and reinforcing the quality of our service delivery.

We were offered a three year contract extension for our ParentsNext program, providing continuity of service delivery to Program Participants in our four Employment Regions, right through to June 2024.

Following the reworked program release in July 2021, participant numbers have remained steady at around 1,600 and with a focus on service delivery, we have continued to meet Program KPI's and deliver quality services.

After an anxious wait following our October 2021 tender submission for the new TtW program, we were delighted to hear in February that we had been successful in retraining our Wimmera Mallee contract, in addition to gaining a new contract for the Bendigo Region. Since July we have been busily working into the new contract, servicing around 350 participants and growing.

Although COVID business disruptions still had an impact on production at Axis Worx, sales increased by more than 50%, highlighting the resilient business model that continued to provide supported employment opportunities for 40 people with disability. Thanks to The Victorian Government and the "Social Enterprise Support Grant 2022", we were able to purchase a new Multi blade Ripsaw to aid wood production.

We maintained certification for ISO:9001, ISO:14001, AS:5377, National Standards for Disability Services and as a NDIS Registered Provider with the Quality and Safeguard Commission.

Additional, and for the first time we gained accreditation for ISO:27001 and the Australian Government's Right Fit For Risk approach to cyber security.

CONTINUES 

# CEO'S REPORT

It was a great achievement to complete our Mundy Street Bendigo office refurbishment and moved in in December 2021. This is another fantastic office that our staff and participants can enjoy now and well into the future. We are looking forward to completing the refurbishment's of our Ballarat and Mildura offices and our recently acquired Naracoorte office next year. Our property assets now include Firebrace Street Horsham, Golf Course Rd Horsham, Main St Stawell, Mundy Street Bendigo, Lime Ave Mildura, Bridge St Ballarat and Smith St Naracoorte.

Additionally, we have leased and fitted out new offices in Ararat and Sebastopol.

Through all this we've managed COVID, provided a safe work environment, supported staff, delivered quality services, supported participants and met contractual obligations.

We've grown cash and property assets and ensured our future.

Additionally, we have continued to develop our presence and reputation in Western Victoria and South East SA.

From a supportive and trusting Board to a committed Management Team, Directors, Managers, Regional Managers, Finance, Payroll, Quality, IT, Training, Regional Support, Business Development, Consultants, Customer Service, Department Supervisors and Supported Employees. We have all played our part in the success that CAEI has achieved this year.

I'd like to pay particular thanks to Graeme Eldridge, for his immense contribution to our success over his 28 years with Axis and wish him all the best in retirement.

Thank you all and well done on a great year.

COLIN BARNETT  
- CEO



# SERVICE RECOGNITIONS

## **AXIS Employment**

**BRENDAN DORAN**

15 Years of Service

*Director of Programs & Business  
Development*

## **AXIS Worx**

**ANDREW MANWARING**

30 Years of Service

*Supported Employee*

**PENELOPE DELLAR**

10 Years of Service

*Supported Employee*

**PETER HOWELL**

25 Years of Service

*Supported Employee*

# Congratulations!

# DONATIONS & SPONSORSHIPS

- Ballarat Bulldogs FNC
- Balmoral Recreation Reserve
- Bendigo East Swimming Club Inc
- Bendigo Golf Club
- Bendigo Stadium Ltd
- Bridgewater Football Netball Club
- Central Victoria Australian Football Commission Limited
- Committee for Portland Inc
- Coughlin Park Bowls Club Inc
- Dimboola Sporting Club Inc
- Golden Square Football & Netball Club
- Harrow Balmoral Football Netball Club
- Heathcote Golf Club
- Horsham & District Racing Club Inc
- Horsham Amateur Basketball Association Inc
- Horsham Fishing Competition Inc
- Horsham Lawn Tennis Club
- Jeparit-Rainbow Football Netball Club
- Laharum Football Netball Club
- Loddon Campaspe Multicultural Services
- Maryborough Cricket Club Inc
- Maryborough Football Netball Club Inc
- Mildura Basketball Association
- Millicent and District International Basketball Association
- Mount Pleasant Football Club
- Murtoa Golf Club
- Redan Football Netball Club Inc
- Sedgwick Cricket Club
- St Brigid's College
- St Michaels Football & Netball Club Inc
- Taylors Lake Football & Netball Club
- The Horsham Times
- Tyrendarra Football/Netball Club Inc
- Ultima Football Netball Club Inc
- Warrack Eagles Football & Netball Club
- Wimmera & Southern Mallee Careers Association (WASM)
- Wimmera Regional Sports Assembly
- Wimmera Trophies & Gifts
- Woorinen Football Netball Club

FINANCIAL STATEMENTS

- OF -

**COMMUNITY AXIS ENTERPRISES INC**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

**Community AXIS Enterprises Inc**  
**ABN: 48 208 409 903**

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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 2022

	Note	2022	2021
		\$	\$
Revenue	2	22,878,919	23,729,261
Cost of Sales Expense		585,947	515,677
Advertising & Promotions Expenses		172,550	143,827
Audit and Accounting fees	3	15,600	15,600
Bad Debts		-	-
Client Expenses		877,757	612,161
Depreciation Expense		1,875,438	1,790,780
Equipment Hire Expense		564	799
Employee Benefits Expense		9,809,139	9,714,208
Employer Incentive Expense		1,583,223	1,093,376
General Office Expense		936,686	816,542
Honorariums Expense		66,242	-
Interest & Borrowing Expense		141,183	127,867
Minor Equipment Expense		47,357	39,708
Motor Vehicle Expenses		474,983	303,328
Donations and Sponsorship Expense		105,967	75,138
Rent Expense		181,563	120,694
Repairs & Maintenance Expense		103,471	107,908
Staff Training Expense		102,249	36,466
Telephone, Fax & Internet Expense		391,116	333,545
Travelling Expenses		13,799	7,817
Wage Subsidy Payment		1,288,552	987,099
<b>Total Expenditure</b>		<b>18,773,386</b>	<b>16,842,540</b>
<b>Net current year surplus</b>		<b>4,105,533</b>	<b>6,886,721</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Gain on revaluation of land and buildings	13	1,076,875	39,965
		<u>1,076,875</u>	<u>39,965</u>
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value remeasurement gains/(loss) on available-for-sale financial assets	13	(217,421)	295,899
		<u>(217,421)</u>	<u>295,899</u>
<b>Total other comprehensive income for the year</b>		<b>859,454</b>	<b>335,864</b>
<b>Total comprehensive income for the year</b>		<b>4,964,987</b>	<b>7,222,585</b>
Net current year surplus attributable to members of the entity		<u>4,105,533</u>	<u>6,886,721</u>
Total comprehensive income attributable to members of the entity		<u>4,964,987</u>	<u>7,222,585</u>

The accompanying notes form part of this financial report.

## Community AXIS Enterprises Inc

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	17,850,893	16,403,560
Trade and other receivables	5	939,325	566,547
Inventories	6	167,837	88,154
Prepayments		36,299	30,120
<b>Total Current Assets</b>		<b>18,994,354</b>	<b>17,088,381</b>
<b>Non Current Assets</b>			
Financial assets	7	1,462,908	1,608,561
Property, plant & equipment	8	13,046,379	9,967,298
Right of use assets	10	2,780,686	3,101,607
<b>Total Non Current Assets</b>		<b>17,289,973</b>	<b>14,677,466</b>
<b>Total Assets</b>		<b>36,284,327</b>	<b>31,765,847</b>
<b>Current Liabilities</b>			
Unexpended grants		34,337	-
Trade and other payables	9	2,860,869	2,969,657
Lease liabilities		1,045,346	1,368,119
<b>Total Current Liabilities</b>		<b>3,940,552</b>	<b>4,337,776</b>
<b>Non Current Liabilities</b>			
Trade and other payables	9	64,865	66,111
Lease Liabilities		1,858,466	1,906,504
<b>Total Non Current Liabilities</b>		<b>1,923,331</b>	<b>1,972,615</b>
<b>Total Liabilities</b>		<b>5,863,883</b>	<b>6,310,391</b>
<b>Net Assets</b>		<b>30,420,444</b>	<b>25,455,456</b>
<b>Members' Funds</b>			
Reserves	13	1,421,798	562,344
Retained profits		28,998,645	24,893,112
<b>Total Members' Funds</b>		<b>30,420,443</b>	<b>25,455,456</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 2022

	General Reserve \$	Financial Asset Reserve \$	Retained Surplus \$	Total \$
<b>Balance at 1 July 2020</b>	258,216	(31,736)	18,006,391	18,232,871
<i><b>Comprehensive income</b></i>				
Net surplus for the year	-	-	6,886,721	6,886,721
Other comprehensive income for the year	39,965	295,899	-	335,864
<i><b>Total comprehensive income attributable to the members of the entity</b></i>	39,965	295,899	6,886,721	7,222,585
<b>Balance at 30 June 2021</b>	298,181	264,163	24,893,112	25,455,456
<b>Balance at 1 July 2021</b>	298,181	264,163	24,893,112	25,455,456
<i><b>Comprehensive income</b></i>				
Net surplus for the year	-	-	4,105,533	4,105,533
Other comprehensive income for the year	1,076,875	(217,421)	-	859,454
<i><b>Total comprehensive income attributable to the members of the entity</b></i>	1,076,875	(217,421)	4,105,533	4,964,987
<b>Balance at 30 June 2022</b>	<b>1,375,056</b>	<b>46,742</b>	<b>28,998,645</b>	<b>30,420,443</b>

The accompanying notes form part of this financial report

## Community Axis Enterprises Inc

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		791,456	543,181
Receipt from Grants		21,656,195	22,695,384
Payments to suppliers and employees		(16,949,622)	(14,280,918)
Interest Received		15,421	44,970
<b>Net cash (used in)/generated from operating activities</b>	12	<b>5,513,450</b>	<b>9,002,617</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of investments		-	-
Payment for property, plant and equipment		(2,512,824)	(1,937,411)
Proceeds from sale of property, plant and equipment		-	45,339
<b>Net cash used in investing activities</b>		<b>(2,512,824)</b>	<b>(1,892,072)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of lease liabilities		(1,553,294)	(1,458,008)
Repayment of borrowings		-	-
<b>Net cash used in financing activities</b>		<b>(1,553,294)</b>	<b>(1,458,008)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,447,332</b>	<b>5,652,537</b>
Cash at the Beginning of the Financial Year		16,403,560	10,751,023
<b>Cash at the end of the Financial Year</b>	4	<b>17,850,892</b>	<b>16,403,560</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 2022

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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 Incorporations Reform Act 2012*.

The financial statements were authorised for issue on \_\_\_\_\_ 2022 by the members of the Committee.

##### **Basis of Preparation**

These special purpose financial statements have been prepared in accordance with the *Associations Incorporations 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 of 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**

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

###### **(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.

###### **(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.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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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 association 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.

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

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

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 association 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.

##### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

## **Community AXIS Enterprises Inc**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

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

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**

At inception of a contract, the association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association where the association is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

#### **Concessionary Leases**

For leases that have significantly below-market terms and conditions principally to enable the Association to further its objectives (commonly known as peppercorn/concessionary leases), the Association has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### (f) Financial Instruments

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the association 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 (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: *Revenue from Contracts with Customers*.

##### **Classification and subsequent measurement**

###### *Financial Liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as a fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

#### *Financial Assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### *Equity Instruments*

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

#### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the association elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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#### Impairment

The association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivable;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financials assets measure at fair value through profit & loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments* :

- general approach
- simplified approach
- the purchased or originated credit-impaired approach; and
- low credit risk operation simplification

#### *General Approach*

Under the general approach, at each reporting period, the association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### *Simplified Approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables;

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### *Purchased or originated credit-impaired approach*

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

#### *Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

#### *Recognition of expected credit losses in financial statements*

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

## **Community AXIS Enterprises Inc**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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#### **(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 association 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.

#### **(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 accounts payable and other payables in the statement of financial position.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

##### **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 oncost. 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.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### **(i) Cash on Hand**

Cash and cash equivalents include 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.

#### **(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**

##### *Revenue Recognition*

The association has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

##### *Contributed Asset*

The association receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the association recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The association recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

##### *Operating Grants, Donations and Bequests*

When the association received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

When both these conditions are satisfied, the association: – identifies each performance obligation relating to the grant – recognises a contract liability for its obligations under the agreement – recognises revenue as it satisfies its performance obligations. Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

#### *Capital Grant*

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

#### *Dividend Income*

The association recognises dividends in profit or loss only when the association's right to receive payment of the dividend is established.

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

#### *In comparative Period*

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.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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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) Comparative Figures

Where 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.

#### (m) 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.

#### (n) Economic Dependency

The association 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.

#### (o) Critical Accounting Estimates and Judgements

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

#### Key estimates

##### (i) *Impairment*

The Association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers.

##### (ii) *Plant and equipment*

As indicated in Note 1(d), the Association reviews the useful life of plant and equipment on an annual basis.

#### Key judgements

##### (i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implied, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

## Community AXIS Enterprises Inc

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonable certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonable certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Association will make. The Association determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

**(p) New and Amended Accounting Policies Adopted by the Association**

**Innitial adoption of AASB 2021-03: *COVID-19-Related Rent Concessions* beyond 30 June 2021**

AASB 2021-3: *Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions beyond 30 June 2021* amends AASB 16 by providing a 12-month extension to the practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<b>NOTE 2: REVENUE</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sales Revenue	666,699	436,934
ADE - DSS Funding	-	77,044
Office Rental	8,091	5,455
Other	121,101	96,947
ADE - NDIS Funding	628,153	548,462
Quality Assurance Subsidy	-	23,750
Disability Employment Services	16,714,445	14,958,259
Transition to Work Program	2,138,762	2,603,595
Disability Management Services	-	-
ParentsNext Funding	2,508,841	1,686,377
Interest & Dividends	92,827	114,373
JobKeeper Payment	-	3,083,050
ATO Cashflow Boost	-	50,000
Profit on sale of Non-current Assets	-	45,015
<b>Total Income</b>	<b>22,878,919</b>	<b>23,729,261</b>

<b>NOTE 3: AUDITORS FEE</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the association for:		
- auditing or reviewing the financial report	15,600	15,600
- other services	-	-
	<b>15,600</b>	<b>15,600</b>

<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	14,847,474	15,399,979
Cash on hand	1,675	1,836
Short term deposits	3,001,744	1,001,745
<b>Total cash assets</b>	<b>17,850,893</b>	<b>16,403,560</b>

The effective interest rate on short-term bank deposits was 1.55% (2021: 0.35%); these deposits have an average maturity of 562 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>17,850,893</b>	<b>16,403,560</b>
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## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5: TRADE AND OTHER RECEIVABLES	2022	2021
	\$	\$
CURRENT		
Trade debtors	93,433	97,868
Other receivables	845,892	468,679
<b>Total Receivables</b>	<b>939,325</b>	<b>566,547</b>

No impairment of accounts receivable and other debtors was required at 30 June 2022 (2021: \$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	
2022	\$	\$	\$	\$	\$	\$	\$
Trade debtors	93,433	-	93,433	-	-	-	93,433
Other receivables	468,679	-	468,679	-	-	-	468,679
Total	562,112	-	562,112	-	-	-	562,112

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	>90	
2021	\$	\$	\$	\$	\$	\$	\$
Trade debtors	97,868	-	18,325	868	1,281	2,701	74,693
Other receivables	468,679	-	468,679	-	-	-	468,679
Total	566,547	-	487,004	868	1,281	2,701	543,372

#### Collateral held as security

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

	Note	2022	2021
		\$	\$
<b>Financial assets classified as loans and receivables</b>			
Accounts receivables and other debtors:			
- total current	13	939,325	566,547
		<b>939,325</b>	<b>566,547</b>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 6: INVENTORIES

	2022	2021
	\$	\$
E-Worx	38,165	18,876
Wood Worx	119,860	59,632
Pak Worx	9,633	9,417
Harvest Delight	179	229
<b>Total Inventories</b>	<b>167,837</b>	<b>88,154</b>

#### NOTE 7: FINANCIAL ASSETS

	2022	2021
	\$	\$
Available-for-sale financial assets	7a 1,462,908	1,608,561
a. Available-for-sale financial assets comprise		
Investments at fair value:		
- units in managed fund at fair value	1,462,908	1,608,561
Total available-for-sale financial assets	1,462,908	1,608,561

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

	2022	2021
	\$	\$
Land & Buildings at Market Valuation	9,825,000	4,908,664
Land & Buildings at cost	2,373,909	4,258,130
Plant & Equipment	1,119,294	1,045,101
Less accumulated depreciation	(927,571)	(848,985)
	191,723	196,116
Computer Equipment	859,345	675,369
Less accumulated depreciation	(679,243)	(577,002)
	180,102	98,367
Motor vehicles	109,983	145,871
Less accumulated depreciation	(109,983)	(145,871)
	-	-
Office Furniture & Equipment	1,792,995	1,776,512
Less accumulated depreciation	(1,317,350)	(1,270,491)
	475,645	506,021
<b>Total property, plant and equipment</b>	<b>13,046,379</b>	<b>9,967,298</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 2022

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

	Land & Buildings	Plant & Equip	Computer Equipment	Motor Vehicles	Office Equipment
Balance at 1 July	7,510,753	225,406	165,990	-	555,461
Additions	1,616,076	88,299	21,164	-	211,872
Disposals	-	(857)	-	(44,482)	-
Profit on disposal	-	533	-	44,482	-
Depreciation Expense	-	(117,265)	(88,787)	-	(261,312)
Revaluation	39,965	-	-	-	-
Balance at 30 June 2021	9,166,794	196,116	98,367	-	506,021
Additions	1,955,240	99,218	183,976	-	274,390
Disposals	-	-	-	-	-
Profit on disposal	-	(664)	-	-	(4,661)
Depreciation Expense	-	(102,947)	(102,241)	-	(300,105)
Revaluation	1,076,875	-	-	-	-
Carrying amount at 30 June 2022	12,198,909	191,723	180,102	-	475,645

### NOTE 9: TRADE AND OTHER PAYABLES

	2022	2021
CURRENT	\$	\$
Trade creditors	232,579	179,840
Credit cards payable	69,613	37,592
GST payable	335,036	213,458
Accrued Expenses	611,004	893,557
PAYG withholding payable	160,551	185,104
Superannuation payable	115,577	122,844
Government Parental Leave	-	3,016
Short-term employee benefits	1,336,509	1,334,246
<b>Total Payables</b>	<b>2,860,869</b>	<b>2,969,657</b>
NON CURRENT		
Long-term employee benefits	64,865	66,111

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

Accounts payable and other payables:

- total current	2,860,869	2,969,657
- total non current	64,865	66,111

Less

- short-term employee benefits	1,336,509	1,334,246
- accrued wages	506,340	835,414
- long-term employee benefits	64,865	66,111
Financial liabilities as accounts payable and other payables	<b>1,018,020</b>	<b>799,997</b>

# Community AXIS Enterprises Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 10: RIGHT OF USE ASSETS

The Association's lease portfolio includes buildings, motor vehicles and plant and equipment. The buildings leases have an average of 7 years as their lease term. Motor vehicles have lease term 4 years and plant and equipment have a lease term of 5 years.

#### *Options to extend or terminate*

The option to extend or terminate are contained in several of the property leases of the Association. There were no extension options for motor vehicles or plant and equipment leases. These clauses provide the Association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Association. The extension options or termination options which were probable to be exercised have been included in the calculation of the right of use assets

#### (i) AASB 16 related amounts recognised in the balance sheet

Right of use assets	2022	2021
	\$	\$
Leased Building	3,764,328	3,558,303
Accumulated depreciation	(2,436,662)	(2,057,705)
	<u>1,327,666</u>	<u>1,500,598</u>
Leased Motor Vehicles	4,761,196	3,917,998
Accumulated depreciation	(3,310,848)	(2,351,731)
	<u>1,450,348</u>	<u>1,566,267</u>
Leased Plant and equipment	159,215	159,215
Accumulated depreciation	(156,543)	(124,473)
	<u>2,672</u>	<u>34,742</u>
Total Right of use assets	<u><u>2,780,686</u></u>	<u><u>3,101,607</u></u>

#### Movements in carrying amounts:

<i>Leased Buildings:</i>	2022	2021
	\$	
Opening balance as on 1 July	1,500,598	1,196,040
Addition to right of use asset	206,026	711,839
Depreciation expense	(378,958)	(407,281)
Net carrying amount	<u>1,327,666</u>	<u>1,500,598</u>
<i>Leased Motor Vehicles</i>	2022	2021
	\$	\$
Opening balance as on 1 July	1,566,267	2,016,885
Addition to right of use asset	843,198	433,447
Depreciation expense	(959,117)	(884,065)
Net carrying amount	<u>1,450,348</u>	<u>1,566,267</u>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 10: RIGHT OF USE ASSETS CONTINUED

<i>Leased Plant and equipment</i>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening balance as on 1 July	34,742	64,169
Addition to right of use asset	-	2,643
Depreciation expense	(32,070)	(32,070)
Net carrying amount	<u>2,672</u>	<u>34,742</u>

#### (ii) AASB 16 related amounts recognised in the statement of profit and loss

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Depreciation charge related to right of use assets	1,370,145	1,323,416
Interest expense on lease liabilities	133,260	119,229
Short-term leases expense	164,026	120,313

#### NOTE 11: EVENTS AFTER THE REPORTING PERIOD

The World Health Organisation declared the COVID-19 coronavirus a pandemic. The Association is managing the potential impacts on its operations. At the date of this report, an estimate of the financial impact of these events cannot be made. The Committee is ensuring adequate financial reserves are in place to manage financial risks. At the same time, the Association has developed and implemented cash flow forecasts, crisis management and business continuity plans.

#### NOTE 12: CASH FLOW INFORMATION

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash flows from operations</b>		
Profit /(Loss)	4,105,533	6,886,721
Non cash flows in profit		
Depreciation and amortisation	1,875,438	1,790,780
(Profit)/Loss on sale of assets	5,325	(45,015)
Interest on lease liabilities	133,260	119,229
Net reinvestment in financial assets	(71,769)	(63,411)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(372,778)	290,971
(Increase)/decrease in inventories	(79,683)	(7,883)
(Increase)/decrease in prepayments	(6,179)	2,560
Increase/(decrease) in trade and other payables	(108,788)	657,420
Increase/(decrease) in grants received in advance	34,337	(622,279)
Increase/(decrease) in trade and other payables non current	(1,246)	(6,476)
Cash flows (used in)/provided by operating activities	<u>5,513,450</u>	<u>9,002,617</u>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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#### NOTE 13: 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**

	2022	2021
	\$	\$
Revaluation gains/(losses) on available-for-sale assets	(217,421)	295,899
Movement in financial assets reserve	(217,421)	295,899
Revaluation increment/(decrement) of land and buildings	1,076,875	39,965
Movement in general reserve	1,076,875	39,965

#### 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 association 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:

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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#### NOTE 14: FAIR VALUE MEASUREMENTS CONTINUED

- *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.

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>2022</b>				
<b>Recurring fair value measurements</b>				
Financial assets				
Available-for-sale financial assets:				
- investments in management funds	7	1,462,908	-	-
Total financial assets recognised at fair value		1,462,908	-	-
<b>2021</b>				
<b>Recurring fair value measurements</b>				
Financial assets				
Available-for-sale financial assets:				
- investments in management funds		1,608,561	-	-
Total financial assets recognised at fair value		1,608,561	-	-

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 15: 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	2022 \$	2021 \$
<b>Financial assets</b>			
Cash on hand	4	17,850,893	16,403,560
Accounts receivable and other debtors	5	939,325	566,547
Available-for-sale financial assets:			
- investments in management funds	7	1,462,908	1,608,561
<b>Total financial assets</b>		<b>20,253,126</b>	<b>18,578,668</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- accounts payable and other payables	9	1,018,020	799,997
- lease liabilities		2,903,812	3,274,623
<b>Total financial liabilities</b>		<b>3,921,832</b>	<b>4,074,620</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.

## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 15: 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Accounts payable and other payables (excluding employee entitlements and income received in advance)	3,921,832	4,074,620	-	-	-	-	3,921,832	4,074,620
Lease liabilities	1,045,346	1,368,119	1,858,466	1,906,504	-	-	2,903,812	3,274,623
Total expected outflows	4,967,178	5,442,739	1,858,466	1,906,504	-	-	6,825,644	7,349,243
<b>Financial assets - cash</b>								
Cash on hand	17,850,893	16,403,560	-	-	-	-	17,850,893	16,403,560
Trade debtors	939,325	566,547	-	-	-	-	939,325	566,547
Available-for-sale investments	1,462,908	1,608,561	-	-	-	-	1,462,908	1,608,561
Total anticipated inflows	20,253,126	18,578,668	-	-	-	-	20,253,126	18,578,668
Net (outflow)/inflows on financial instruments	15,285,948	13,135,929	-1,858,466	1,906,504	-	-	13,427,482	11,229,425

##### *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.

## Community Axis Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 15: FINANCIAL RISK MANAGEMENT

##### 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.

	<b>Current Surplus \$</b>	<b>Equity \$</b>
Year ended 30 June 2022		
+/- 2% in interest rates	+/- 356,984	+/- 356,984
+/- 10% in available-for-sale investments	+/- nil	+/- 146,291
Year ended 30 June 2021		
+/- 2% in interest rates	+/- 328,024	+/- 328,024
+/- 10% in available-for-sale investments	+/- nil	+/- 160,856

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.

	<b>2022</b>		<b>2021</b>	
	<b>Carrying Amount \$</b>	<b>Fair Value \$</b>	<b>Carrying Amount \$</b>	<b>Fair Value \$</b>
<b>Financial assets</b>				
Cash on hand	17,850,893	17,850,893	16,403,560	16,403,560
Accounts receivable and other debtors	939,325	939,325	566,547	566,547
Available-for-sale financial assets:				
- investments in management funds	1,462,908	1,462,908	1,608,561	1,608,561
<b>Total financial assets</b>	<b>20,253,126</b>	<b>20,253,126</b>	<b>18,578,668</b>	<b>18,578,668</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- accounts payable and other payables	1,018,020	1,018,020	799,997	799,997
- lease liabilities	2,903,812	2,903,812	3,274,623	3,274,623
<b>Total financial liabilities</b>	<b>3,921,832</b>	<b>3,921,832</b>	<b>4,074,620</b>	<b>4,074,620</b>

## Community AXIS Enterprises Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 16: 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

25 Munday Street  
Bendigo, Victoria 3550

5/33 James Street  
Mt Gambier, South Australia 5290

134 Golf Course Road  
Horsham, Victoria 3400

90 Barkley Street  
Ararat, Victoria 3377

15 Ormerod Street  
Naracoorte, 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

1209A Howitt Street  
Wendouree, Victoria 3355

111 Main Street  
Stawell, Victoria 3380

35 Bromfield Street  
Colac, Victoria 3250

182 Gray Street  
Hamilton, Victoria 3300

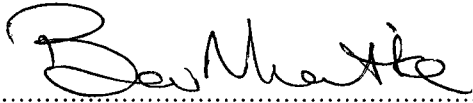
## Community AXIS Enterprises Inc

### CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, **Beverly Miatke** of Horsham certify that:

- (a) I attended the annual general meeting of the association held on **12th October** 2022.
- (b) The financial statements for the year ended 30 June 2022 were submitted to the members of the association at its annual general meeting

Dated this twelvth day of October 2022.



(Committee Member)

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMUNITY AXIS ENTERPRISES INC**

### *Opinion*

We have audited the 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 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the certification by members of the committee.

In our opinion, the accompanying financial report of the association is in accordance with 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 2022 and of its performance for the year then ended; and
- (ii) That the financial records kept by the association are such as to enable financials statements to be prepared in accordance with Australian Accounting Standards as to the extent disclosed in Note 1.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### *Information Other than the Financial Report and Auditor's Report Thereon*

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Committee for the Financial Report*

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act 2012* (Vic) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

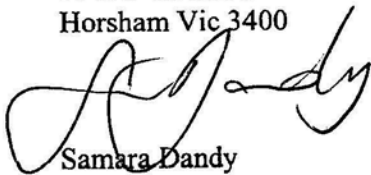
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Capitis Accounting Solutions  
35 McLachlan Street  
Horsham Vic 3400



Samara Dandy  
Partner

Dated this ..... 12th ..... day of ..... October ..... 2022

## Community Axis Enterprises Inc

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

We..... Beverly 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 2022.

Signed:  
Dated

Beverly Miatke

Signed  
Dated:

Doug Clarke

Dated this Twelvth day of October 2022