Community Focus National Ltd

ABN 24 166 665 943

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Community Focus National Ltd

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DIRECTORS' REPORT
For the Year Ended 30 June 2017

Your Directors submit the financial accounts of Community Focus National Ltd (The Company) for the year ended 30 June 2017.

DIRECTORS

The names of the Directors for the year were:

Michelle Coats
Orly Oxenbridge
Edward Oxenbridge
Andrew Coats

COMPANY SECRETARY

The company secretary at the end of the financial year was Michelle Coats.

PRINCIPAL ACTIVITIES

The principal activity of the company was:

The provision of community focused services and programs aimed at improving social welfare, economic development and supporting community enterprise and initiatives.

OPERATING RESULTS	$
The comprehensive surplus of the Company for the year amounted to:	**7,367**

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the corporation.

Signed in accordance with a resolution of the Directors.

....
Michelle Coats
Director

....
Andrew Coats
Director

Directors Declaration

The Directors' declare that in the Directors' opinion:
a. There are reasonable grounds that Community Focus National Limited is able to pay all of its debts, as and when they become due and payable
b. The financial statements and notes satisfy the requirements of the *Corporations Act 2001 and Australian Charities and Not-for-Profit Commissions Act 2012* .

Signed in accordance with the *Corporations Act 2001* and *Australian and Not-For-Profit Commission Regulation 2013.*

Directors Declaration

Dated

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2017

	Notes	2017 $	2016 $
Operating Revenue			
Grant Revenue	3A	**285,685**	**641,480**
Interest	3B	**277**	**1,357**
Services Income	3C	**175,794**	**82,268**
Total Operating Revenue		**461,755**	**725,105**
OPERATING EXPENSES			
Direct Program Expenditure	4A	**55,566**	**61,487**
Employee Costs	4B	**326,487**	**532,563**
Other Expenses	4C	**52,828**	**133,127**
Depreciation	4D	**17,212**	**22,862**
Loss on Sale of Asset	4E	**2,295**	**9,436**
Total Expenses		**454,388**	**759,475**
Net Surplus (Deficit) for the Year		**7,367**	**(34,371)**
Other Comprehensive Income			
Total comprehensive Surplus/(Deficit) for the year		**7,367**	**(34,371)**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2017

ASSETS	Notes	2017 $	2016 $
Current Assets			
Cash and cash equivalents	5A	**40,202**	**4,023**
Trade and other receivables	5B	**12,264**	**(1,465)**
Prepayments	5C	**12,676**	**13,425**
Total current assets		**65,142**	**15,983**
Non Current Assets			
Fixed Assets	5D	**29,010**	**57,864**
Total current assets		**29,010**	**57,864**
Total Assets		**94,152**	**73,847**
LIABILITIES			
Current Liabilities			
Payables	6A	**16,002**	**15,214**
Accrued Expenditure	6B	**13,667**	**12,667**
Employee Entitlements	6C	**18,612**	**7,463**
Total current liabilities		**48,281**	**35,344**
Total Liabilities		**48,281**	**35,344**
Net Assets		**45,871**	**38,503**
EQUITY			
Accumulated surplus		**45,871**	**38,503**
Total Equity		**45,871**	**38,503**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2017

	Retained Earnings	Total Equity
	$	$
Balance at 1 July 2014	**(1,757)**	**(1,757)**
Surplus for the Year	**74,630**	**74,630**
Other comprehensive income	**0**	**0**
Balance at 30 June 2015	**72,873**	**72,873**
Balance at 1 July 2015	**72,873**	**72,873**
Deficit for the Year	**(34,370)**	**(34,370)**
Other comprehensive income	**0**	**0**
Balance at 30 June 2016	**38,503**	**38,503**
Balance at 1 July 2016	**38,503**	**38,503**
Surplus for the Year	**7,367**	**7,367**
Other comprehensive income	**0**	**0**
Balance at 30 June 2017	**45,870**	**45,870**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2017

	Notes	2017 $	2016 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cashflows (used in)/from operating activities			
Grant Revenue		**285,685**	492,725
Interest		**277**	1,357
Service Fees		**162,065**	84,742
Direct Program Expenditure		**(56,354)**	(80,498)
Employees		**(315,337)**	(560,475)
Other Expenses		**(52,157)**	(133,126)
Net cash from/used by operating activities		24,179	(195,275)
Cash flows used in investing activities			
Asset Sale		**12,000**	(12,586)
Net (decrease) increase in cash and cash equivalents		36,179	(207,861)
Cash at the beginning of the reporting period		**4,023**	211,884
Cash at the end of the reporting period	5A	**40,202**	4,023

NOTES to the FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Notes to and Forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies

The financial statements are for Community Focus National Ltd (the Company) which is an individual company, incorporated and domiciled in Australia. Community Focus National Ltd is a company limited by guarantee.

Basis of Preparation of the Financial Statements

The financial statements have been prepared on the bases of historical cost, as explained in accounting policies below. Historical cost is generally based on fair values of consideration given in exchange of assets. All amounts are presented in Australian dollars and values are rounded to the nearest dollar, unless otherwise stated.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 have been prepared on an accruals basis and are based on historical costs.

Statement of compliance

The financial statements are general purpose financial statements - Reduced Disclosure Requirements which been prepared in accordance with the Corporations Act 2001, Australian Charities and Not for-profits Commission Act 2012, Australian Accounting Standards Board, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

a. Significant accounting judgements and estimates

Significant accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Useful lives of Depreciable Assets: Management reviews its estimates on the useful lives of depreciating assets at each reporting date based on the expected use of assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain IT equipment.

b. Accounting Policies

Adoption of new Australian Accounting Standard requirements
No accounting standard has been adopted earlier than the application date as stated in the standard. New standards, revised standards, interpretations or amending standards issued prior to the signing of the statement by the Directors and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on Community Focus National Ltd.

Future Australian Accounting Standard Requirements
The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods are set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments and revised recognition and derecognition requirements for financial instruments.

Note 1: Summary of Significant Accounting Policies (continued)

The Company does not expect any impact from the new classification, measurement and derecognition rules on the Company 's financial assets and financial liabilities. There will also be no impact on the Company 's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed how its own impairment provisions would be affected by the new rules.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2017).

The new Standard will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

The directors are currently assessing the impact of the new rules. They are unable to estimate the impact of the new rules on the Company's financial statements.

c. Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

d. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

e. Financial assets

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each and of each reporting period.

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account.

f. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Note 1: Summary of Significant Accounting Policies (continued)

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition

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

g. Contingent assets and contingent liabilities

Community Focus National Ltd has no contingent assets or liabilities in either the current or the immediately preceding reporting periods.

h. Property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets, including buildings, plant and equipment and motor vehicles but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Corporation commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are from 3 - 5 years in both years.

Impairment of Non Financial Assets
Non-Financial assets are assessed for impairment at each and of each reporting period.

Employee Entitlements
Employee Entitlements consist of the value of all accrued annual leave at the time of reporting.

Note 1: Summary of Significant Accounting Policies (continued)

i. Taxation

Income tax
The Company is a public benevolent institution and is endorsed by the Australian Taxation Office to access income tax exemption under Subdivision 50-A of the Income Tax Assessment Act 1997.

Fringe Benefits Tax
The Company, as a Public Benevolent Institution (PBI) adheres to the Fringe Benefits Assessment Act 1986. As a PBI, the Company is exempt from fringe benefits tax for benefits provided up to a grossed-up value of $31,177 per employee.

j. GST

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST.

k. Economic Dependence
The Company is dependent on the ongoing receipt of government grants to ensure the ongoing continuance of its programs. At the date of this report, the Company had no reason to believe that the financial support will not continue.

Note 2: Events after the Statement of Financial Position Date

There are no events that have occurred after balance date that have been brought to account in the 2017 Financial Statements.

Note 3: Revenue

	2017 $	2016 $
Note 3A: Grant Funds		
Grant Revenue	**285,685**	**492,725**
Unexpended Grants from Previous Year	**-**	**148,755**
Total Grant Funds	**285,685**	**641,480**
Note 3B: Interest		
Interest received	**277**	**1,357**
Total Interest	**277**	**1,357**
Note 3C: Contract Management Services		
Services Fees	**164,458**	**80,000**
Misc Income	**11,336**	**2,268**
Total Contract Management Services	**175,794**	**82,268**

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

	2017	2016
	$	$

Note 4: Expenses

Note 4A: Direct Program Costs

	2017 $	2016 $
Program & Equipment Costs	33,205	16,235
Labour Hire & Consultations	3,947	732
Motor Vehicle Expenses	11,456	17,533
Travel & Accommodation	6,957	26,987
Total Direct Program Costs	55,566	61,487

Note 4B: Employee Costs

	2017 $	2016 $
Wages and salaries	277,433	462,550
Recruitment & Relocation	4,046	7,821
Allowances	5,956	9,020
Leave Provisions	11,149	(27,912)
Training Costs	-	6,569
Staff Housing	2,254	32,375
Superannuation	25,649	42,140
Total Employee Costs	326,487	532,563

Note 4C: Other Expenses

	2017 $	2016 $
Bank fees	59	164
Audit fees	8,000	7,364
General	7,221	5,919
Insurance	15,888	19,722
Police Checks	665	288
Office expenses	6,746	5,350
Professional services	794	69,316
Telephone	12,968	23,435
Postage	487	1,453
Uniforms	-	116
Total Other Expenses	52,828	133,127

Note 4D: Depreciation

	2017 $	2016 $
Depreciation	17,212	22,862
Total Depreciation	17,212	22,862

Note 4E: Loss on Sale of Asset

	2017 $	2016 $
Proceeds from Sale of Vehicle:	12,000	-
Purchase Price:	22,530	15,000
Less: Accumulated Depreciation;	8,234	5,564
Loss on Sale of Vehicle:	(2,295)	(9,436)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2017

Note 5: Assets	**2017**	**2016**
	$	$
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit		
Westpac Operating Account	**1,299**	**309**
Westpac Cash Reserve Account	**38,877**	**3,670**
Cash on hand	**26**	**44**
Total cash and cash equivalents	**40,202**	**4,023**
Note 5B: Trade and other receivables		
Accounts receivable	**12,264**	**(1,465)**
Total trade and other receivables	**12,264**	**(1,465)**
Note 5C: Prepayments		
Insurance	**12,676**	**12,625**
Bond Deposits	**0**	**800**
Total Prepayments	**12,676**	**13,425**
Note 5D: Fixed Assets		
Computers & Equipment - Net Book Value	**6,696**	**11,721**
Plant & Equipment - Net Book Value	**935**	**1,883**
Motor vehicles - Net Book Value	**21,379**	**44,260**
Total Fixed Assets	**29,010**	**57,864**

	Computers	Plant & Equipment	Motor Vehicle	Total
	$	$	$	$
At 1 July 2014	1,209	0	0	1,209
Additions	9,685	4,793	79,347	93,825
Depreciation	(5,714)	(1,962)	(9,782)	(17,458)
At 30 June 2015	5,180	2,831	69,565	77,576
At 1 July 2015	5,180	2,831	69,565	77,576
Additions	12,586	0	0	12,586
Disposals	0	0	(9,436)	(9,436)
Depreciation	(6,045)	(948)	(15,869)	(22,862)
Balance 30 June 16	11,721	1,883	44,260	57,864
At 1 July 2016	11,721	1,883	44,260	57,864
Additions	2,653	0	0	2,653
Disposals			(12,518)	(12,518)
Depreciation	(7,678)	(948)	(10,363)	(18,989)
Balance 30 June 17	6,696	935	21,379	29,010

Note 6: Current Liabilities

	2017	2016
	$	$
Note 6A: Payables and Accrued Expenses		
Trade creditors	5,337	5,078
GST payable	4,928	1,786
PAYG withheld	5,737	8,350
Total payables	16,002	15,214

Note 6B: Accruals & Deferred Income

	2017	2016
Audit Fee	7,000	6,000
Rental Bonds	0	0
Deferred Income	6,667	6,667
Total Accrued Expenses	13,667	12,667

Note 6C: Employee Entitlements

	2017	2016
Leave Provisions	18,612	7,463
Total Employee Entitlements	18,612	7,463

Note 7: Related Party Disclosures

Community Focus National Ltd does not have the ability to exercise control or significant influence over any entity it transacts with.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 8: Executive Remuneration

The aggregate compensation made to directors and other members of key personnel of the Company is set out below:

	2017	2016
Short term employee benefits:	**$**	$
Salary and fees	**-**	11,716
Superannuation	**-**	1,644
Total	**-**	13,360

Details of key management personnel
Key management personnel of the Company during the period was:
Michelle Coats

Note 9: Comparatives
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 10: Going concern
The Company has completed the General Purpose Financial Report - Reduce Disclosure Requirements on a going concern basis. The Company believes it will continue as a going concern.

The Company is dependent on operating grants from various government departments. This funding is expected to continue.

Note 11: Financial Instruments

	2017	2016
	$	$
Note 11A Categories of financial instruments		
Loans and Receivables		
Cash and cash equivalents	**40,202**	**4,023**
Trade and other receivables	**12,264**	**(1,465)**
Carrying amount of financial assets	**52,466**	**2,558**
Other Financial Liabilities		
Payables	**16,002**	**15,214**
Accrued Expenses	**13,667**	**12,667**
Unexpended Grant	**-**	**-**
Employee Entitlement	**18,612**	**7,463**
Carrying amount of financial liabilities	**48,281**	**35,344**
Note 11B Net income and expense from financial assets		
Loans and receivables		
Interest revenue	**277**	**1,357**
Interest expense	**-**	**-**
Net Profit receivables	**277**	**1,357**
Net Profit from financial assets	**277**	**1,357**

Note 11C Fair value of financial instruments

The carrying amount of the financial assets and liabilities is a reasonable approximation of fair value.

Note 11: Financial Instruments (continued)

Note 11D Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Community Focus National ltd

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents Community Focus National's maximum exposure to credit risk.

All assets considered impaired have been fully provided for in the impairment allowance account. Current period impairment $Nil (2016: $Nil).

Note 11E Liquidity risk

Community Focus National Ltd manages liquidity risk by continuously monitoring forecast and actual cash flows.

Payables have 30 day terms. All loans are due on demand and are only contracted when funds have been received.

Note 11F Market risk

Interest rate risk
Community Focus National has insignificant exposure to interest rate risk.

Note 12 Capital Management policies and procedures

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and Management ensure that the overall risk management strategy is in line with this objective.

The Company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Company's capital to by assessing the Company financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control capital of the Company since the previous year.

Note 13 Member's Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $50 each towards meeting any outstanding obligations of the Entity. At 30th June 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is $200.