

Community Focus National Ltd

ABN 24 166 665 943

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

Community Focus National Ltd

TABLE OF CONTENTS
For the Year Ended 30 June 2016

Independent Auditors' Report	2-3
Directors' Report	4
Directors' Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to and Forming part of the Financial Statements	10
Auditor's Independence Declaration	20

INDEPENDENT AUDITOR'S REPORT

To the members of Community Focus National Ltd

We have audited the accompanying financial report of Community Focus National Ltd (the 'Company'), which comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2016, the statement of financial position as at 30 June 2016, the statement of changes in equity, the statement of cash flows, the notes to the financial statements which comprises a summary of significant accounting policies and other explanatory information and the directors' report and declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibilities also include establishing and maintaining internal control relevant to 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies use and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the of the financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report has been prepared in accordance with the *Corporations Act 2001 and Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Corporations financial position as at 30 June 2016 and of its financial performance for the year ended on that date; and
- b) complying with the Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements and applicable sections of the Act.

Emphasis of Matter

Without qualification to the statement expressed above, attention is drawn to the following matters.

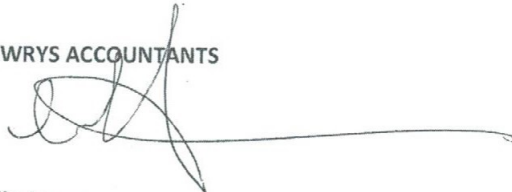
Dependency on Government Funding

The Company is dependent on operating grants from various government departments. The financial report of the Company has been prepared on a going concern basis on the expectation that such funding will continue. Without such funding there is significant uncertainty whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Going concern

Without qualification to the statement expressed above attention is drawn to Note 10 to the financial statements which indicate that the Company has incurred recurring losses and has experienced significant reductions in working capital in recent years. These conditions, along with other matters as set forth in Note 10 to the financial statements, indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. A qualification to the Auditor's Opinion was not considered necessary due to Management's responses to our concerns and our belief that they will be adhered to.

LOWRYS ACCOUNTANTS



Colin James
Registered Company Auditor

Darwin
3 November 2016

DIRECTORS' REPORT
For the Year Ended 30 June 2016

Your Directors submit the financial accounts of Community Focus National Ltd (The Company) for the year ended 30 June 2016.

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 (deficit) / surplus from ordinary activities of the Company for the year amounted to \$(34,370); 2015: \$74,630.

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

Date: 3 November 2016

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-profits Commissions Act 2012* .

Signed in accordance with subsection 60.15(2) of the *Corporations Act 2001 and Australian and Not-for-profits Commission Regulation 2013*.



.....

Michelle Coats
Director



.....

Andrew Coats
Director

Date: 3 November 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Operating Revenue			
Grant Revenue	3A	641,480	849,170
Interest	3B	1,357	2,788
Services Income	3C	82,268	236,745
Total Operating Revenue		725,105	1,088,703
OPERATING EXPENSES			
Direct Program Expenditure	4A	61,487	140,222
Employee Costs	4B	532,563	736,629
Other Expenses	4C	133,127	119,764
Depreciation	4D	22,862	17,458
Loss on Sale of Asset	4E	9,436	
Total Expenses		759,475	1,014,073
Net (Deficit) Surplus for the Year		(34,370)	74,630
Other Comprehensive Income		-	-
Total comprehensive (Deficit)/Surplus for the year		(34,370)	74,630

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

ASSETS	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	5A	4,023	211,884
Trade and other receivables	5B	(1,465)	1,009
Prepayments	5C	13,425	18,600
Total current assets		15,983	231,493
Non-Current Assets			
Fixed Assets	5D	57,864	77,576
Total current assets		57,864	77,576
Total Assets		73,847	309,069
LIABILITIES			
Current Liabilities			
Payables	6A	15,214	37,999
Unexpended Grants	6B	-	148,755
Accrued Expenditure	6C	12,667	14,067
Employee Entitlements	6D	7,463	35,375
Total current liabilities		35,344	236,196
Total Liabilities		35,344	236,196
Net Assets		38,503	72,873
EQUITY			
Accumulated surplus		38,503	72,873
Total Equity		38,503	72,873

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

STATEMENT OF CHANGES IN EQUITY*For the Year Ended 30 June 2016*

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 July 2014	(1,757)	(1,757)
Surplus for the year	74,630	74,630
Other comprehensive income	-	-
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	-	-
Balance at 30 June 2016	38,503	38,503

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

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash flows (used in)/from operating activities			
Grant Revenue		492,725	829,107
Interest		1,357	2,788
Service Fees		84,742	235,736
Direct Program Expenditure		(80,498)	(102,223)
Employees		(560,475)	(745,032)
Other Expenses		(133,126)	(105,697)
Net cash from used by operating activities		(195,275)	114,679
Cash flows used in investing activities			
Asset Purchase		(12,586)	(93,825)
Net (decrease) increase in cash and cash equivalents		(207,861)	20,854
Cash at the beginning of the reporting period		211,884	191,030
Cash and cash equivalent at the end of the year	5A	4,023	211,884

NOTES to the FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

Notes to and Forming part of the Financial Statements

	Page
Note 1: Summary of Significant Accounting Policies	10 -13
Note 2: Events after the Statement of Financial Position Date	13
Note 3: Revenue	13
Note 4: Expenses	14
Note 5: Assets	15
Note 6: Current Liabilities	16
Note 7: Related Party Disclosures	17
Note 8: Executive Remuneration	17
Note 9: Comparatives	17
Note 10: Going concern	17
Note 11: Financial Instruments	18-19
Note 12: Capital Management, Policies & Procedures	19
Note 13: Member's Guarantee	19

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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 (2015: \$30,000) 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 2015 Financial Statements.

Note 3: Revenue

	2016	2015
	\$	\$
Note 3A: Grant Funds		
Grant Revenue	492,725	680,352
Unexpended Grants from Previous Year	148,755	168,818
Total Grant Funds	641,480	849,170

Note 3B: Interest

Interest received	1,357	2,788
Total Interest	1,357	2,788

Note 3C: Contract Management Services

Services Fees	80,000	191,755
Misc Income	2,268	44,990
Total Contract Management Services	82,268	236,745

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Note 4: Expenses		
<u>Note 4A: Direct Program Costs</u>		
Program & Equipment Costs	16,235	43,608
Labour Hire & Consultations	732	7,363
Motor Vehicle Expenses	17,533	27,037
Travel & Accommodation	26,987	62,215
Total Direct Program Costs	61,487	140,222
<u>Note 4B: Employee Costs</u>		
Wages and salaries	462,550	501,957
Recruitment & Relocation	7,821	66,446
Allowances	9,020	29,711
Leave Provisions	(27,912)	30,070
Training Costs	6,569	18,308
Staff Housing	32,375	43,501
Superannuation	42,140	46,637
Total Employee Costs	532,563	736,629
<u>Note 4C: Other Expenses</u>		
Bank fees	164	135
Audit fees	7,364	6,000
General	5,919	4,906
Insurance	19,722	12,222
Police Checks	288	934
Office expenses	5,350	4,238
Professional services	69,316	67,573
Telephone	23,435	20,958
Postage	1,453	2,023
Uniforms	116	774
Total Other Expenses	133,127	119,764
Note 4D: Depreciation		
Depreciation	22,862	17,458
Total Depreciation	22,862	17,458
Note 4E: Loss on Sale of Asset		
Proceeds from Sale of Vehicle	-	-
Purchase Price	15,000	-
Less: Accumulated Depreciation	(5,564)	-
Loss on Sale of Vehicle:	9,436	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

Note 5: Assets	2016	2015
	\$	\$
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit		
Westpac Operating Account	309	3,253
Westpac Cash Reserve Account	3,670	208,347
Cash on hand	44	284
Total cash and cash equivalents	4,023	211,884
Note 5B: Trade and other receivables		
Accounts receivable	(1,465)	1,009
Total trade and other receivables	(1,465)	1,009
Note 5C: Prepayments		
Insurance	12,625	16,200
Bond Deposits	800	2,400
Total Prepayments	13,425	18,600
Note 5D: Fixed Assets		
Computers & Equipment - net book value	11,721	5,180
Plant & Equipment - net book value	1,883	2,831
Motor vehicles - net book value	44,260	69,565
Total Fixed Assets	57,864	77,576

	Computers	Plant & Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
At 1 Ju1y 2014	1,209	-	-	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 Ju1y 2015	5,180	2,831	69,565	77,576
Additions	12,586	-	-	12,586
Disposals	-	-	(9,436)	(9,436)
Depreciation	(6,045)	(948)	(15,869)	(22,862)
At 30 June 2016	11,721	1,883	44,260	57,864

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

Note 6: Current Liabilities.

	2016	2015
	\$	\$
<u>Note 6A: Payables and Accrued Expenses</u>		
Trade creditors	5,078	5,685
GST payable	1,786	21,802
PAYG withheld	8,350	10,512
Total payables	15,214	37,999
<u>Note 6B: Unexpended Grants</u>		
Unexpended Grants	-	148,755
Total Unexpended Grants	-	148,755
<u>Note 6C: Accruals & Deferred Income</u>		
Audit Fee	6,000	6,000
Rental Bonds	-	1,400
Deferred Income	6,667	6,667
Total Accrued Expenses	12,667	14,067
<u>Note 6D: Employee Entitlements</u>		
Leave Provisions	7,463	35,375
Total Employee Entitlements	7,463	35,375

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

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:

	2016	2015
Short term employee benefits:		
Salary and fees	\$ 11,716	\$ 3,670
Superannuation	1,644	481
Total	<u>13,360</u>	<u>4,151</u>

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 despite the fact that the Company has a working capital deficiency of \$19,361; (2015: \$4,703).

The Company is dependent on operating grants from various government departments. This funding is expected to continue and it is also believed that this funding will cover the working capital deficiency showing at 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2016

Note 11: Financial Instruments

	2016	2015
	\$	\$
<u>Note 11A Categories of financial instruments</u>		
Financial Assets		
Cash and cash equivalents	4,023	211,884
Trade and other receivables	(1,465)	1,009
Carrying amount of financial assets	<u>2,558</u>	<u>212,893</u>
Financial Liabilities		
Payables	15,214	37,999
Accrued Expenses	12,667	14,067
Unexpended Grant	-	148,755
Accrued expenditure	12,667	14,067
Employee entitlement	7,463	35,375
Carrying amount of financial liabilities	<u>48,011</u>	<u>250,263</u>
<u>Note 11B Net income and expense from financial assets</u>		
Loans and receivables		
Interest revenue	<u>1,357</u>	<u>2,788</u>

Note 11C Fair value of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2016

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 (2015: \$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.

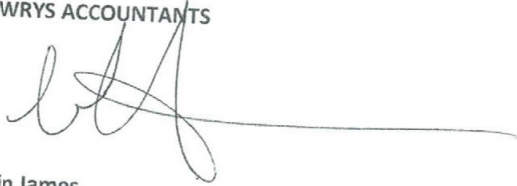
The Directors
Community Focus National Ltd
PO Box 1517
KUNUNURRA WA 6743

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the financial year 30 June 2016, there has been:

- (i). no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii). no contraventions of any applicable code of professional conduct in relation to the audit.

LOWRYS ACCOUNTANTS



Colin James
Registered Company Auditor

Darwin
3 November 2016