

CONTACT INCORPORATED
ABN: 64 340 947 099

Financial Report For The Year Ended
30 June 2018

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	3	<u>206,026</u>	<u>778,234</u>
Employee benefits expenses		(247,222)	(552,425)
Administration expenses		(58,372)	(89,171)
Office rent and maintenance		(39,716)	(36,136)
Communication expenses		(7,756)	(16,469)
Training, development and research		(3,865)	(62,184)
Travel and accommodation		(43,451)	(126,390)
Depreciation expenses		<u>(5,738)</u>	<u>(8,018)</u>
Total Expenses		<u>(406,120)</u>	<u>(890,793)</u>
Net deficit for the year		<u>(200,094)</u>	<u>(112,559)</u>
Income tax expense	2(b)	-	-
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(200,094)</u>	<u>(112,559)</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and cash equivalents	4	547,405	691,504
Trade receivables and other debtors	5	2,671	1,856
Other current assets	6	14,470	14,485
Total Current Assets		564,546	707,845
Non-current Assets			
Property, plant and equipment	7	7,328	13,640
Total Non-current Assets		7,328	13,640
Total Assets		571,874	721,485
Liabilities			
Current Liabilities			
Trade and other payables	8	7,312	21,410
Grants in advance	9	156,517	56,517
Employee provisions	10	94,632	120,208
Total Current Liabilities		258,461	198,135
Non-current Liabilities			
Employee provisions	10	-	9,843
Total Non-current Liabilities		-	9,843
Total Liabilities		258,461	207,978
Net Assets		313,413	513,507
Equity			
Retained earnings		313,413	513,507
Total Equity		313,413	513,507

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Retained Earnings			
Retained earnings at the beginning of the year		513,507	626,066
Net deficit from ordinary activities		(200,094)	(112,559)
Retained earnings at the end of the year		<u>313,413</u>	<u>513,507</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flow from operating activities			
Receipts from:			
Government grants and other funding received		320,000	681,379
Interest income		5,903	9,941
Other cash receipts		1,314	1,399
Payments to suppliers and employees		<u>(471,781)</u>	<u>(953,857)</u>
<i>Net cash (outflow) from operating activities</i>	12	<u>(144,564)</u>	<u>(261,138)</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		<u>465</u>	<u>-</u>
<i>Net cash inflow from investing activities</i>		<u>465</u>	<u>-</u>
<i>Net (decrease) for the period</i>		(144,099)	(261,138)
Cash at beginning of period		691,504	952,642
Cash and cash equivalents at end of year	4	<u>547,405</u>	<u>691,504</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Contact Incorporated as an individual entity. Contact Incorporated is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009* and the *Associations Incorporation Regulation (NSW) 2010*.

The principal activities of the Association for the year ended 30 June 2018 were to help address the impacts of isolation for children, families, and communities. Activities also included serving the community by working across all child, family and children sectors by providing service deliveries in ways that best fit local child and family needs.

The functional and presentation currency of Contact Incorporated is Australian dollars.

The financial statements were authorised for issue by the Board of Management on 30 October 2018

Comparatives are consistent with prior years, unless otherwise stated.

All amounts have been rounded to the nearest dollar.

1. Basis of Preparation

The Board have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirement of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (NSW) 2009*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirement of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flows*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*' and AASB 1054 '*Australian Additional Disclosures*'.

The financial statements have been prepared on an accrual basis of accounting.

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

2. Summary of Significant Accounting Policies

a. Going Concern

These financial statements are prepared on a going concern basis because Contact Inc. is able to pay its debts as and when they fall due. Whilst the Association has experienced challenging conditions this year as a result of a loss of major funding, the Board monitors closely the number of months of core operating expenditure covered by the Association's cash reserves (total cash balance less total liability). As at end of June 2018, the Association has a cash reserves of \$547,405. With a monthly core operating cost of \$25,000, the Association has around 12 months of cash reserves to run core operating expenditure in the absence of any incoming revenue. The Board and Management note 12 months is sufficient to confirm a going concern, and have undertaken strategic planning processes and are pursuing funding opportunities to continue Contact's mission. A range of opportunities exists including new sources of revenue and partnering with other organisations to deliver services.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Summary of Significant Accounting Policies (continued)

b. Income tax

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

c. Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured as the fair value of the consideration received or receivable and is presented net of returns, discount and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit and loss and other comprehensive income when it is controlled. Where there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Donations

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

Rendering of services

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

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

d. Cash and cash equivalents

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

e. Trade and other receivables

Trade receivable and other receivables include amounts due from members as well as amounts receivable from donors. 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.

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

2. Summary of Significant Accounting Policies (continued)

f. Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

g. Impairment of assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the statement of profit and loss and other comprehensive income.

h. Goods and services tax (GST)

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

i. Trade 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.

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

2. Summary of Significant Accounting Policies (continued)

j. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries included annual leave and long service leave balances that are expected to be settled within 12 months of reporting date are recognised in respect of employee service up to reporting date. They are measured using the wage and salary rates the entity expects, as at the reporting date, to pay on settlement, including related on-costs, such as workers' compensation insurance and superannuation.

Long-term employee benefits

Liability for long service leave is recognised based on employee service up to the reporting date. It is measured at the present value of expected future payments relating to that past service. Consideration is given to expected future remuneration rates, past experience of employee turnover and past service. Amounts expected to be settled more than twelve months after reporting date are discounted to present value using rates reflecting yields at reporting date on Australian government bonds which most closely match the terms of maturity of the related liabilities.

k. Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time as at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial positions, performance or cash flow of the Association.

	2018	2017
	\$	\$
Note 3 - Revenue and Other Income		
Revenue and Other Income		
— Department of Prime Minister and Cabinet - IAS	200,000	400,000
— Department of Education and Training	-	68,473
— NSW Department of Education	-	11,250
— Services provided	267	289,413
— Donations	339	534
— Interest income	5,218	8,534
— Other revenue from non-operating activities	202	30
Total revenue	206,026	778,234

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 4 - Cash and Cash Equivalents		
Commonwealth Bank - General Account	99,318	46,321
Bankers Trust No 1	336,718	500,010
Bankers Trust No 2	2,781	2,781
Bankers Trust No 3	108,538	142,342
Petty cash and undeposited funds	50	50
Total Cash and Cash Equivalents	<u>547,405</u>	<u>691,504</u>
 Note 5 - Trade Receivable and Other Debtors		
Current		
Trade debtors	1,501	-
Accrued interest - Bankers Trust accounts	1,170	1,856
Total Current Trade Receivable and Other Debtors	<u>2,671</u>	<u>1,856</u>
 Note 6 - Other Current Assets		
Current		
Prepayments	5,229	4,845
Deposits	9,241	9,640
Total Other Current Assets	<u>14,470</u>	<u>14,485</u>
 Note 7 - Property, Plant and Equipment		
Office furniture & equipment at cost	21,010	23,225
Accumulated depreciation	(19,693)	(19,579)
	<u>1,317</u>	<u>3,646</u>
Motor vehicles at cost	31,859	31,859
Accumulated depreciation	(25,848)	(21,865)
	<u>6,011</u>	<u>9,994</u>
Total Property, Plant and Equipment	<u>7,328</u>	<u>13,640</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 8 - Trade and Other Payables		
Current		
Accounts payable	4,560	11,509
Employee benefits	2,752	9,901
Total Trade and Other Payables	<u>7,312</u>	<u>21,410</u>
 Note 9 - Grants in Advance		
Contact Children's Mobile	56,517	56,517
CAGES Foundation	100,000	-
Total Grants in Advance	<u>156,517</u>	<u>56,517</u>
 Note 10 - Employee Provisions		
Current		
Employee Provisions - Annual Leave Entitlement	29,734	58,558
Employee Provisions - Long Service Leave Entitlement	64,898	61,650
Total Current Employee Provisions	<u>94,632</u>	<u>120,208</u>
Non-current		
Employee Provisions - Long Service Leave Entitlement	-	9,843
Total Non-current Employee Provisions	<u>-</u>	<u>9,843</u>
Total Employee Provisions	<u>94,632</u>	<u>130,051</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 11 - Contingencies

In the opinion of the Responsible persons, the Association did not have contingencies at 30 June 2018 (30 June 2017 : nil)

Note 12 - Cash Flow Information

	2018	2017
	\$	\$
Reconciliation of cash flow from operating activities with net current year surplus/(deficit)		
Current year surplus/(deficit) after income tax	(200,094)	(112,559)
Non-cash flows in current year surplus:		
— Depreciation expense	5,738	8,018
— Loss on disposal of assets	109	-
Changes in assets and liabilities		
— (Increase)/decrease in trade receivable and other debtors	(815)	46,253
— Increase in other current assets	15	1,962
— Increase/(decrease) in grants in advance	100,000	(190,592)
— (Decrease) in trade and other payables	(14,098)	(39,058)
— Increase in employee provisions	(35,419)	24,838
Cash flows from operations	(144,564)	(261,138)

Note 14 - Statutory information

The registered office and principal place of business of the Association is:

Contact Incorporated
Suite 204 64-76 Kippax Street
Surry Hills NSW 2010


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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Act (NSW) 2009* and the *Associations Incorporation Regulation (NSW) 2010*.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Responsible person:  _____

30 October 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Report on the Financial Statements

We have reviewed the accompanying financial statements of Contact Incorporated (the Company), which comprises the statement of financial position as at 30 June 2018, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible persons' declaration.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the relevant Australian Accounting Standards and the *Australian Charities and Not for Profit Commission Act 2012, Associations Incorporation Act 2009 (NSW)* and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial statements based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial statements are not in accordance with the *Australian Charities and Not for Profit Commission Act 2012, Associations Incorporation Act 2009 (NSW)*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the year then ended; and
- (b) complying with the relevant Australian Accounting Standards and Interpretations.

ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial statements. A review of the financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Independence

In conducting our review, we have complied with the independence requirements as prescribed under *Australian Charities and Not for Profit Commission Act 2012, Associations Incorporation Act 2009 (NSW)* (the Act). We confirm that the independence declaration required by the Act, which has been given to the Directors of Contact Incorporated, would be in the same terms if given to the Directors as at the time of this independent auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial statements of Contact Incorporated are not in accordance with the *Australian Charities and Not for Profit Commission Act 2012, Associations Incorporation Act 2009 (NSW)*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the year then ended; and
- (b) complying with the relevant Australian Accounting Standards and Interpretations.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements, which describes the basis of preparation. The financial statements have been prepared to assist the Company to meet the requirements of the *Australian Charities and Not for Profit Commission Act 2012, Associations Incorporation Act 2009 (NSW)*. As a result, the financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Dated 30 October 2018

SYDNEY