

COMMUNITIES@WORK

ABN 19 125 799 859

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

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Directors' Report
For the Year Ended 30 June 2025

Your directors present their report on the Company for the financial year ended 30 June 2025.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Position
Alan Greenslade	Director, Chair
Karen Curtis	Director, Deputy Chair
Bernice Ellis	Director
Joanne Garrison	Director
James Selkirk	Director, Treasurer (Ended Nov 2024)
Domenic Stramandinoli	Director, Treasurer (Started Nov 2024)
Wayne Harriden	Director
Trixie Makay	Director (Started 6 Dec 2024)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

Communities at Work is a well-established and respected "for purpose" provider of community services in the ACT. Our purpose is to be responsive to the community by delivering high quality services that support positive educational outcomes, assist in alleviating hardship, enhance the quality of life and lead to positive social change.

We provide support to Canberrans whenever they are in need, regardless of age or background. We are there for infants and children through their educational years, we support young people and growing families, and we assist older people and those living with disability, all while providing meaningful employment for over 600 Canberrans.

Our community service model is built on a strong and diverse children's services program. The income from these services supports our social programs and Galilee School, enabling us to invest in initiatives that deliver tangible benefits to people in need.

Over the past five years, we have reinvested every available dollar back into the community, taking a medium-term view rather than focusing only on short-term financial performance. Cash reserves are directed to expanding our Food, Clothing & Crisis support services and subsidising the growing number of disengaged students who access our Galilee School.

In FY 2024-25, our financial performance improved compared to the previous year, though the organisation still reported an overall deficit. We are making the necessary changes, guided by our Strategic Plan, to ensure the organisation returns to operating in the black. While these efforts are challenging, we remain confident in our ability to achieve this goal and to continue investing in services that make a real difference for the Canberra community.

Significant Changes

No significant changes in the nature of the principle activities occurred during the financial year.

Operating Results and Review of Operations for the Year

The Company has reported a loss of \$161,486 (2024: \$1,581,645).

Several factors influenced performance during the year, including shifts in family work patterns, cost-of-living pressures, and ongoing workforce challenges across the early education sector. These broader conditions also contributed to rising demand for our community support services. Communities at Work is responding proactively through the implementation of our Strategic Plan, maintaining a focus on high-

quality care and strengthening the organisation's long-term sustainability. While the environment remains complex, we are confident in our ability to continue supporting the Canberra community with compassion and resilience.

Meetings of Board Members

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Alan Greenslade	9	9
Karen Curtis	9	8
Bernice Ellis	9	7
Joanne Garrison*	9	4
James Selkirk	9	9
Domenic Stramandinoli	9	9
Wayne Harriden	9	8
Trixie Makay	5	4

*Ms Garrison was granted a leave of absence during the financial year (starting Feb 2025) and as such was not available to attend meetings.

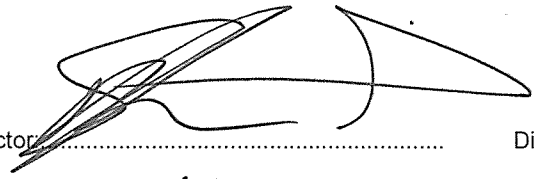
Members Guarantee

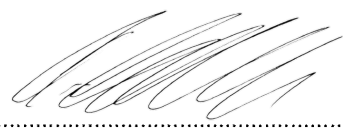
The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 30 June 2025, the number of members was 8 (2024: 7).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on the following page of the financial statements.

Signed in accordance with a resolution of the Board of Directors:

Director: .....

Director: .....

Date: 30 October 2025

COMMUNITIES@WORK
ABN 19 125 799 859

Statement of Comprehensive Income
For the year ended 30 June 2025

		2025	2024
		\$	\$
	Note		
Revenue from contracts with customers	2	46,748,987	44,734,317
Other revenue	2	659,695	797,194
		<u>47,408,682</u>	<u>45,531,511</u>
Administrative and other expenses		4,102,430	3,781,349
Facilities maintenance costs		1,796,983	2,258,949
Direct service costs		1,871,166	2,043,927
Interest on lease liabilities	3	99,355	131,819
Amortisation of lease assets	3	1,156,391	1,247,845
Depreciation and amortisation expenses	3	1,091,299	1,072,938
Employee benefits expense		37,452,544	36,576,329
		<u>47,570,168</u>	<u>47,113,156</u>
Deficit before income tax		<u>(161,486)</u>	<u>(1,581,645)</u>
Tax expense		-	-
Net deficit		<u>(161,486)</u>	<u>(1,581,645)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss)		<u>(161,486)</u>	<u>(1,581,645)</u>

The accompanying notes form part of the financial statements

COMMUNITIES@WORK
ABN 19 125 799 859

Statement of Financial Position
As at 30 June 2025

		2025	2024
		\$	\$
ASSETS	Note		
Current assets			
Cash and cash equivalents	4	2,503,153	3,676,240
Trade and other receivables	5	2,108,885	2,180,033
Other current assets	6	174,148	263,105
Total current assets		4,786,186	6,119,378
Non-current assets			
Property, plant and equipment	7	12,169,507	11,369,943
Right-of-use assets	8	1,837,596	2,364,967
Total non-current assets		14,007,103	13,734,910
TOTAL ASSETS		18,793,289	19,854,288
LIABILITIES			
Current liabilities			
Lease liabilities	8	997,149	1,033,674
Trade and other provisions	9	1,710,269	2,022,143
Financial liabilities	10	21,150	30,850
Contract liabilities	11	817,906	818,103
Employee benefits	12	1,763,439	1,674,922
Total current liabilities		5,309,913	5,579,692
Non-current liabilities			
Lease liabilities	8	1,311,638	1,941,372
Total non-current liabilities		1,311,638	1,941,372
TOTAL LIABILITIES		6,621,551	7,521,064
NET ASSETS		12,171,738	12,333,224
EQUITY			
Retained Earnings		12,171,738	12,333,224
TOTAL EQUITY		12,171,738	12,333,224

The accompanying notes form part of the financial statements

COMMUNITIES@WORK
ABN 19 125 799 859

Statement of Changes in Equity
For the year ended 30 June 2025

	Retained Earnings	Total
	\$	\$
Balance as at 1 July 2023	13,914,869	13,914,869
Deficit for the year attributable to members of the entity	(1,581,645)	(1,581,645)
Balance as at 30 June 2024	12,333,224	12,333,224
Deficit for the year attributable to members of the entity	(161,486)	(161,486)
Balance as at 30 June 2025	12,171,738	12,171,738

The accompanying notes form part of the financial statements

COMMUNITIES@WORK
ABN 19 125 799 859

Statement of Cash Flows
For the year ended 30 June 2025

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES	Note	
Receipts from government, customers and others	52,215,528	49,250,193
Payments to suppliers and employees	(49,976,855)	(48,598,212)
Interest received	4,521	174,753
Interest on lease liabilities	(99,355)	(131,819)
Net cash provided by operating activities	<u>2,143,840</u>	<u>694,915</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from redemption of shares	-	1,000
Payments for property, plant and equipment	(2,003,498)	(1,055,958)
Net cash provided used in investing activities	<u>(2,003,498)</u>	<u>(1,054,958)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,313,429)	(1,461,073)
Net cash provided used in financing activities	<u>(1,313,429)</u>	<u>(1,461,073)</u>
 Net decrease in cash and cash equivalents held	(1,173,087)	(1,821,116)
Cash and cash equivalents at beginning of year	3,676,240	5,497,356
Cash and cash equivalents at end of financial year	4 <u><u>2,503,153</u></u>	<u><u>3,676,240</u></u>

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES

The financial report of Communities@Work (the Company) as an individual entity, incorporated and domiciled in Australia. The Company is a not-for-profit company limited by guarantee. The company has been authorised by ASIC to omit the word "Limited" from for its name under section 150 of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Non-for-profit Commission (ACNC) Act 2012* as appropriate for not-for-profit oriented entities and the Charitable Collection Act 2003 (ACT) and Regulations.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company has incurred an operating loss of \$161,486 for the financial year ended 30 June 2025 (2024: loss of \$1,581,645) and has net current liabilities of \$523,727 as of that date (2024: net current assets \$539,686). There has been a deterioration in the financial performance of children services (OSHC & ECEC), resulting in a significant negative impact on the actual and projected results and cashflows of the Company. These factors indicate a material uncertainty which may cast significant uncertainty as to whether the Company will continue as a going concern and therefore whether or not it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors are confident that the Company will continue as a going concern after consideration of the following factors:

- Included in current liabilities is income in advance of \$817,906. These amounts are not expected to be paid by the Company, but rather recognised as revenue as the Company fulfils its obligations under the specific grant agreements.
- Staff annual leave accruals of \$1,576,377 are unlikely to be payable all at once as staff will take their leave throughout the financial year;
- The Company has access to \$1,036,140 from a finance facility as at 30 June 2025 which expires on 13 January 2026 and is currently being renegotiated with the bank to extend it;
- The Company has implemented, and continues to progress, further service rationalisation initiatives across its Children and Community Services operations. These initiatives are aimed at improving financial performance and operational efficiency, ensuring that resources are directed towards sustainable and high-impact programs. The rationalisation measures are expected to reduce the cost base of these services, which in turn will alleviate pressure on Corporate Overheads and contribute positively to future cashflows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

Going concern (contd)

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

a. Revenue

Government grants

Government grant monies are received to fund programs either for contracted periods of time or for specific programs irrespective of the period of time required to complete those projects. Government grants are recognised in the statement of financial position as a liability when the grant is received.

Non-reciprocal grant revenue is recognised when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity 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.

Other grants

Other grant revenue received on the condition specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Non-reciprocal grants are revenue when the entity obtains control of the funds.

Rendering of services

Revenue from rendering of services is recognised upon delivery of the service to customers. Where income has been received prior to service delivery, it is carried forward as unearned revenue.

Interest revenue

Interest income is recognised on an accrual basis using the effective interest method.

Donations

Donations are recognised as revenue when the entity obtains control of the donation or the right to receive the donation and it is probable that the economic benefit comprising the donation will flow to the entity and the amount of the donation can be measured reliably. Unless they are designated for a specific purpose, in which cases they are carried forward as a liability on the statement of financial position.

b. Cash and cash equivalents

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.

c. 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.

Land and Buildings

Land and buildings are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation on buildings is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding land, is depreciated on a straight line basis over the asset's useful life to the Company 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 useful life used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings	2.5% - 33%
Furniture, Equipment, Systems and Course Development	10% - 50%
Motor Vehicles	17%

The assets' 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 proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

d. Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

e. Leases

At inception of a contract, the entity 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 entity where the entity 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 entity 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

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 Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. 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 recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and subsequent measurement

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 amount outstanding on specified dates

A financial asset that meets the following conditions is subsequently measured as 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

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

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost, using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in 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

Impairment

The company recognises a loss allowance for expected credit losses. 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.

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the company 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 (e.g. default or past due event); and
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation.

Recognition of expected credit losses in financial statements

At each reporting date, the company 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

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.

Derecognition

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

g. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. Provisions

Provisions for liabilities are made when there is a present obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Short term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries, superannuation and sick leave are recognised as payroll liabilities in the statement of financial position.

Other long term employee benefits

The Company classifies employees' long service leave as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company 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 liabilities.

i. Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1. MATERIAL ACCOUNTING POLICIES (CONTD)

j. Taxation

Income tax

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

k. 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Critical accounting estimates and judgements

The directors evaluate the estimates and judgements incorporated into the financial report 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 organisation.

Key estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1 (c), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) *Lease term*

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 reasonably certain to exercise that option, and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood 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 the future strategy of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
NOTE 2. REVENUE AND OTHER INCOME		
Revenue from contracts with customers:		
Provision of services	36,788,391	35,545,526
Operating grants	9,960,596	9,123,534
Rental income	-	65,257
	46,748,987	44,734,317
Other revenue:		
Donations and fundraising	227,457	198,414
Miscellaneous income	427,717	424,027
Interest received	4,521	174,753
	659,695	797,194
	47,408,682	45,531,511
	\$	\$
NOTE 3. DEFICIT FOR THE YEAR		
Deficit for the year has been determined after the following specific items:		
Depreciation and amortisation	1,091,298	1,072,938
Amortisation on lease assets	1,156,391	1,247,845
Bad and doubtful debts	23,593	45,081
Interest on lease liabilities	99,355	131,819
Superannuation contributions	3,447,403	3,232,435
	5,818,040	5,730,118
	\$	\$
NOTE 4. CASH AND CASH EQUIVALENTS		
Cash at bank	2,501,453	3,674,040
Cash on hand	1,700	2,200
	2,503,153	3,676,240

Accounting Policy

Cash at bank includes term deposit of \$1,760,000 (2024: \$3,300,000). As at 30 June 2025, there are two loan facilities of \$518,070 each, totalling \$1,036,140 (2024: \$1,269,468) which are unused.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 5. TRADE AND OTHER RECEIVABLES		
Trade and other receivables	2,138,348	2,233,260
Provision for expected credit losses	(29,463)	(53,227)
	<u>2,108,885</u>	<u>2,180,033</u>

Provision for expected credit losses

	2025	2024
	\$	\$
Opening balance	53,227	18,958
Charge for the year	23,593	45,081
Write-off/reversal	(47,357)	(10,812)
Closing balance	<u>29,463</u>	<u>53,227</u>

Accounting Policy

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised based on lifetime expected credit losses. These amounts have been included in other expense items.

	2025	2024
	\$	\$
NOTE 6. OTHER ASSETS		
Prepayments	174,148	263,105
	<u>174,148</u>	<u>263,105</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 7. PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At cost	14,758,673	12,644,633
Less accumulated depreciation	(3,427,871)	(2,803,070)
	<u>11,330,802</u>	<u>9,841,563</u>
 Furniture, equipment, systems and course development		
At cost	4,630,960	4,550,911
Less accumulated depreciation	(3,801,020)	(3,364,902)
	<u>829,940</u>	<u>1,186,009</u>
 Work in progress		
	<u>8,765</u>	<u>342,371</u>
	12,169,507	11,369,943

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and Buildings	Furniture, equipment and systems	Work in progress	Total
	\$	\$	\$	\$
Balance as at 1 July 2024	9,841,563	1,186,009	342,371	11,369,943
Additions	583,067	93,851	1,326,580	2,003,498
Disposals	(100,445)	(12,190)	-	(112,635)
Transfers	1,660,186	-	(1,660,186)	-
Depreciation	(653,569)	(437,730)	-	(1,091,299)
Balance as at 30 June 2025	11,330,802	829,940	8,765	12,169,507

A valuation was carried out on the land and buildings asset class (excluding the leasehold improvements on concessional leases) in March 2025 (for Dixon property) and in April 2025 (for Kambah property). The value as of date of valuation was \$11,230,000 which exceeds the net book value of the land and building asset class excluding the improvements on concessional leases. Therefore, no impairment write-down was required as of 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 8. LEASE ASSETS AND LIABILITIES		
Right-of-use assets - Buildings		
At cost	5,495,137	4,378,379
Less accumulated amortisation	(3,878,006)	(2,410,383)
	1,617,131	1,967,996
Right-of-use assets - Motor Vehicle		
At cost	1,196,354	1,968,091
Less accumulated amortisation	(1,025,526)	(1,645,025)
	170,828	323,066
Right-of-use assets - Furniture and Equipment		
At cost	149,400	170,028
Less accumulated amortisation	(99,763)	(96,123)
	49,637	73,905
	1,837,596	2,364,967
Lease liabilities		
Current	997,149	1,033,674
Non-current	1,311,638	1,941,372
	2,308,787	2,975,046

The future minimum lease payments arising under the Company's lease contracts at the end of the reporting period are as follows:

Not later than one year	1,065,686	1,181,145
Later than one year not later than five years	862,285	1,616,817
Later than five years	765,779	1,064,423
	2,693,750	3,862,385

The Company's leases relate primarily to buildings, motor vehicle and furniture and equipment for operational purposes. The Company had various options to extend lease terms and had exercised these options during the year. The options to extend the leases have been included in the measurement of lease liabilities and right of use assets. The Company holds a number of concessional leases with providers and terms as stated below:

- Capital Hill Early Childhood Centre (Department of Parliamentary Services): five year lease with annual rent of \$1.00. The centre is used to provide childcare services.
- Isabella Plains Child Care and Education Centre (ACT Government): five year lease with annual rent of \$0.50 on request. The centre is used for childcare and community services.
- Ngunnawal Childcare and Education Centre (ACT Government): five year lease with annual rent of \$0.05. The centre is used to provide childcare services.
- Southern Hub - Tuggeranong Youth Centre (ACT Government): five year lease with annual rent of \$0.05 on request. The centre is used as a youth centre.
- Tuggeranong Community Centre (ACT Government): five year lease with annual rent of \$0.05 on request. The centre is used as a community centre.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 9. TRADE AND OTHER PROVISIONS		
Trade payables	1,155,139	1,340,687
Other payables	555,130	681,456
	1,710,269	2,022,143
	1,710,269	2,022,143

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days.

	2025	2024
	\$	\$
NOTE 10. FINANCIAL LIABILITIES		
Bonds	21,150	30,850
	21,150	30,850
	21,150	30,850

Bonds relate to bonds held for Children's Services based on the Company's historical two-week bond policy. This policy is no longer active and bonds are being returned to families or used to pay final fees as they exit care.

The secured bank loan facilities with Westpac Bank are comprised of two facilities secured by way of registered mortgage over the property located at Dixon Drive, Holder ACT. In addition, the bank holds a general security over all existing and future assets and undertakings of the Company. The carrying values of assets pledged as security are disclosed in the statement of financial position. The facilities total \$1,036,140 and are subject to variable interest rates. The amount of the facilities unused at 30 June 2025 was \$1,036,140. Facility A of \$518,070 and Facility B of \$518,070 have interest only repayments for one year and loan principal plus interest repayments for the remaining two years of the term with bullet repayment for the amount outstanding on expiry of the Finance Term.

	2025	2024
	\$	\$
NOTE 11. CONTRACT LIABILITIES		
CURRENT		
Income in advance and enrolment advances	817,906	818,103
	817,906	818,103
	817,906	818,103

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 12. EMPLOYEE BENEFITS		
Provision for donated personal leave	(6,689)	(5,490)
Provision for annual leave	1,576,377	1,499,458
Provision for parental leave	4,396	4,414
Provision for long service leave	189,355	176,540
	1,763,439	1,674,922
	1,763,439	1,674,922

NOTE 13. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2025	2024
	\$	\$
Key Management Personnel Compensation	1,528,315	1,468,176
	1,528,315	1,468,176
	1,528,315	1,468,176
Payment made to directors	27,000	9,000
	27,000	9,000
	27,000	9,000

During the year the Company paid \$25,950 (2024: \$24,757) to insure the directors and officers of the Company.

NOTE 14. RELATED PARTIES TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

There were no transactions with related parties during the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 15. FINANCIAL INSTRUMENTS		
FINANCIAL ASSETS		
Financial assets at amortised cost		
Cash and cash equivalents	2,503,153	3,676,240
Trade and other receivables	2,108,885	2,180,033
	<u>4,612,038</u>	<u>5,856,273</u>
TOTAL FINANCIAL ASSETS	<u>4,612,038</u>	<u>5,856,273</u>
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	1,710,269	2,022,143
Financial liabilities	21,150	30,850
TOTAL FINANCIAL LIABILITIES	<u>1,731,419</u>	<u>2,052,993</u>

Accounting Policy

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and borrowings.

The carrying amounts for each category of financial instruments are measured in accordance with AASB 9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 16. FUNDRAISING INCOME AND EXPENSES		
Campaign/Event:		
General outgoing donations & fundraising	227,457	198,414
Less Fundraising expenses	130,550	103,003
Net surplus from fundraising	96,907	95,411

Application of funds for charitable purposes:

During the year Communities@Work achieved a net surplus of \$96,908 (2023: \$95,411) from fundraising activities.

This surplus was used to fund the following charitable programs:

	2025	2024
	\$	\$
Program:		
Social Programs	86,603	87,078
Galilee School	8,584	7,630
Lifestyle (Transport)	1,720	703
	96,907	95,411

Communities@Work does not engage traders to undertake fundraising.

NOTE 17: MEMBERS 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 \$20 each towards meeting any outstandings and obligations of the Company. At 30 June 2025 the number of members was 8 (2024: 7).

	2025	2024
	\$	\$
NOTE 18. REMUNERATION OF AUDITORS		
Audit of financial statements	50,750	42,300
Other services	4,650	8,065
	55,400	50,365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
NOTE 19. COMMITMENTS FOR EXPENDITURE		
Capital expenditure commitments contracted for:		
Galilee school extensions	-	1,803,284
	<u>-</u>	<u>1,803,284</u>

NOTE 20. CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2025 and 30 June 2024.

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

NOTE 22: COMPANY DETAILS

The registered office of the Company is:

Communities@Work
245 Cowlshaw Street
Greenway ACT 2900

DIRECTORS' DECLARATION

The directors of the Company declare that:


The financial statements and notes, are in accordance with the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 and:

- a) Comply with Australian Accounting Standards – Simplified Disclosures; and
- b) the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

On behalf of the directors

Director.....


Director.....


Dated: 30 October 2025

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Communities@Work Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 30 October 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Communities@Work

Opinion

We have audited the financial report of Communities@Work (the entity), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the financial report of Communities@Work has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures under AASB 1060 General Purpose Financial Statements – *Simplified Disclosures for For-Profit and Not-for-Profit Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

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 entity 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which indicates that the Company incurred a loss of \$161,486 (2024: loss of \$1,581,645) for the financial year ended 30 June 2025 and has net current liabilities of \$523,727 as of that date (2024: net current assets \$539,686). There has been a deterioration in the financial performance of children services (OSHC & ECEC), resulting in a significant negative impact on actual and projected results and cashflows of the Company. As stated in Note 1, these events or conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Communities@Work's annual report for the year ended 30 June 2025, but does not include the financial report and the 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 Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Communities@Work'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 management either intends to liquidate Communities@Work or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 30 October 2025