

**HEIDELBERG TRAINING AND RESOURCE
CENTRE INC.**

A.B.N. 93 430 504 658

FINANCIAL REPORT

FOR THE YEAR ENDED 30th JUNE 2017

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

BOARD'S REPORT

Your Board members present this report of Heidelberg Training & Resource Centre Inc. trading as E-focus for the financial year ended 30th June 2017

BOARD MEMBERS

The names of Board members throughout the year were:

Monika Engelhard	Chairperson
Annette Meller	Secretary
	Resigned Treasurer 28 th November 2016
Leonie Farrell	Member
Trent Curtin	Member
	Appointed Vice Chairperson 28 th November 2016
Louise Johnson	Vice Chairperson Resigned 29 th August 2016
Stephen Chenoweth	Member Appointed 27 th October 2016
	Appointed Treasurer 28 th November 2016
Luigi Dal Cin	Member Appointed 17 th March 2017

Each Board member has been in office since the start of the financial year to the date of this report unless otherwise stated.

OBJECTIVES

Our immediate objective is to support individuals and communities who experience disadvantage to access employment and participate economically and socially in the Northern Melbourne region and Victoria wide.

STRATEGY

Build peoples capability and capacity for employment by delivering funded employment and training programs.

Build local communities by supporting community development projects.

Develop and deliver client centred services with comprehensive stakeholder engagement.

PRINCIPAL ACTIVITIES

Deliver both by ourselves and in collaboration/partnership with others best practice employment, training and apprenticeship services and community programs which are informed by experience, expertise and evidence.

PERFORMANCE MEASURES

Employment outcomes, Training completions, Apprenticeship sign-up and Service user feedback.

Compliance audits, quality compliance & audits for services, financial viability (surplus/deficit, balance sheet, financial audits), staff retention and staff surveys.

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

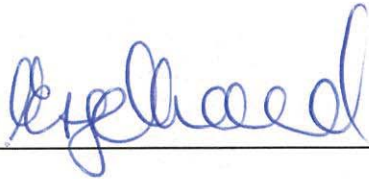
OPERATING RESULT

The year under review held some significant challenges to parts of the organisation: but equally, other parts of the organisation specifically Apprenticeships Matter and Disability Employment Services (DES), achieved significant levels of growth as well as public recognition of their endeavours.

The Board believes that the organisation is well placed to make the most of the opportunities that will become available to it over the next few years.

The surplus for the year amounted to \$331,607 (2016; \$192,177).

Signed in accordance with a resolution of the members of the Board.



Monika Engelhard
Chairperson



Annette Meller
Secretary

Heidelberg
Dated this

25th day of September 2017

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

**STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30th JUNE 2017**

	Notes	2017 \$	2016 \$
REVENUE			
Operating Program Revenue	2	8,138,030	7,522,469
Interest Received		55,577	60,124
Dividends Received		464	603
Other Income		139,258	39,160
E-focus Income		8,333,329	7,622,356
Consortium Income of External Parties	9	2,244,890	2,197,074
TOTAL REVENUE		10,578,219	9,819,430
EXPENDITURE			
Employee Benefit Expenses		5,285,346	4,919,211
Depreciation and Amortisation		91,655	110,509
Operating Lease Expenses		723,697	705,833
Accommodation		245,310	232,352
Administration Expenses		1,039,000	921,839
Motor Vehicle		113,558	127,811
Community Program Expenses		53,238	28,138
Materials, Equipment and Computer		222,124	182,161
Marketing and Promotion		93,573	90,193
Bad Debts		44,295	3,657
Donations		36,564	25,497
Loss on Sale of Assets		22,787	11,235
Other Expenses		30,575	71,743
E-focus Expenses		8,001,722	7,430,179
Consortium Distribution	9	2,244,890	2,197,074
TOTAL EXPENDITURE		10,246,612	9,627,253
Surplus for the year before income tax		331,607	192,177
Income Tax	1	0	0
Surplus for the year after income tax		331,607	192,177
Other Comprehensive Income		0	0
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		331,607	192,177

This Statement should be read in conjunction with the notes to the financial statements

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2017

ASSETS	Notes	2017	2016
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	3	3,035,674	2,695,484
Trade and Other Receivables	4	1,275,132	993,048
Inventories		3,793	5,000
Other Current Assets – Prepayments		56,588	102,539
TOTAL CURRENT ASSETS		4,371,187	3,796,071
NON-CURRENT ASSETS			
Financial Assets	5	5,000	48,000
Security Deposit		90,049	92,215
Property, Plant and Equipment	6	200,921	287,571
Prepayments – Training Resources		40,408	56,031
TOTAL NON-CURRENT ASSETS		336,378	483,817
TOTAL ASSETS		4,707,565	4,279,888
CURRENT LIABILITIES			
Trade and Other Payables	7	1,033,336	1,012,541
Grants Unspent Carried Forward		144,819	119,848
Income in Advance		54,095	9,740
Short-term Provisions	8	710,664	695,204
TOTAL CURRENT LIABILITIES		1,942,914	1,837,333
NON-CURRENT LIABILITIES			
Long-term Provisions	8	68,631	78,142
TOTAL NON-CURRENT LIABILITIES		68,631	78,142
TOTAL LIABILITIES		2,011,545	1,915,475
NET ASSETS		2,696,020	2,364,413
EQUITY			
Retained Earnings		2,696,020	2,364,413
TOTAL EQUITY		2,696,020	2,364,413

This Statement should be read in conjunction with the notes to the financial statements

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

**STATEMENT OF CHANGES IN EQUITY
 FOR YEAR ENDED 30th JUNE 2017**

	Retained Earnings \$	Total Reserves and Retained Earnings \$
2016		
Balance at beginning of financial year	2,172,236	2,172,236
2016		
Surplus attributable to members	192,177	192,177
Balance at end of financial year	2,364,413	2,364,413
2017		
Surplus attributable to members	331,607	331,607
Balance at end of financial year	2,696,020	2,696,020

This Statement should be read in conjunction with the notes to the financial statements

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

**STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30th JUNE 2017**

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Operating Program and Consortium Receipt	11,271,600	10,526,790
Other Income	139,258	43,136
Interest Received	56,176	60,124
Dividends Received	464	603
Payments to Suppliers, Employees and Consortium	<u>(11,099,170)</u>	<u>(9,889,757)</u>
Net Cash Generated (Used) by Operating Activities	<u>368,328</u>	<u>740,896</u>
Cash Flows From Investing Activities		
Proceeds from Sale of Assets	6,591	0
Purchases of Property, Plant and Equipment	<u>(34,729)</u>	<u>(69,535)</u>
Net Cash Generated (Used) by Investing Activities	<u>(28,138)</u>	<u>(69,535)</u>
Net increase (decrease) in cash held	340,190	671,361
Cash and Cash equivalents at the beginning of the year	<u>2,695,484</u>	<u>2,024,123</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		
Note 3	<u>3,035,674</u>	<u>2,695,484</u>

This Statement should be read in conjunction with the notes to the financial statements

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

The financial statements cover Heidelberg Training & Resource Centre Inc. trading as E-focus as a not-for-profit entity. It is an association incorporated under the *Associations Incorporation Reform Act 2012* and registered under the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). It is a not-for-profit public benevolent institution; as such it is exempt from income tax.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced reporting Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation) as appropriate for not-for-profit entities.

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.

Heidelberg Training & Resources Centre Inc. trading and E-focus applies Australian Accounting Standards – Reduced Disclosure requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Revenue recognition

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

Non-reciprocal grant revenue is recognised in the Statement of Comprehensive Income 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 the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

All revenue is stated net of the amount of Goods and Services Tax (GST).

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

b) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

c) Comparative Figures

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

d) Critical Accounting Estimates and Judgments

The Board evaluate estimates and judgments 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 group.

e) Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number a key estimates.

No impairment has been recognised in respect of this financial year.

f) Income Taxation

The entity is endorsed by the Taxation Office as a Public Benevolent Institution. Therefore no income tax is payable by the entity and the association is registered as a charity with the Australian Charities and Not-for-profit Commission.

g) Property, Plant and Equipment

i) Motor Vehicles, Office Furniture and Equipment and Plant and Equipment

Motor Vehicles, Office Furniture and Equipment and Plant and Equipment are carried at cost as the entity has adopted the Cost Model as its accounting policy under the Property, Plant and Equipment Accounting Standard, AASB 116 paragraph 30. Less where applicable, any accumulated depreciation and impairment losses. All assets are depreciated over the estimated useful lives of the assets to the entity.

ii) Depreciation

The depreciable amount of Motor Vehicles, Office Furniture and Equipment and Plant and Equipment are depreciated on a diminishing value (DV) or a straight line basis (PC) over their useful lives to the entity 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.

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

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

Class of Asset	Depreciation Rate	Method
Fixtures and fittings	11.25%	DV:PC
Computer equipment and software	37.5%- 50%	PC
Office furniture and equipment	11.25%-30%	DV:PC
Leasehold improvement	11.25%	DV:PC
Motor vehicle	22.49%	PC

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to Statement of Comprehensive Income.

h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

i) Financial Instruments

i) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

ii) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

An assets is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purposes of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purposes of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement or the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

iii) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value.

iv) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

v) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vi) Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

As a not-for-profit entity the value in use of an asset may be equivalent to the depreciated replacement cost of that asset when the future economic benefits of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The organisation contracts for certain income streams. In the event that a major contract is not continued some staff redundancies would be inevitable. A general business risk provision has been maintained and utilised over a number of years.

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

k) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of twelve months or less, are shown with Cash and cash equivalent in current assets on the Balance Sheet. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

m) Inventories

Inventories comprises paper and consumables for use in the Copies R Us social enterprise unit. Inventories are valued at the lower of cost and net realisable value.

n) Unspent Grant Funds

Unspent Grant Funds available as revenue or liable to be returned to the grant provider in the following year are recognised as a current liability in the balance sheet. They are not treated as an operating surplus.

o) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be 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 of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in Statement of Comprehensive Income, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

p) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods and services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

q) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities 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.

r) New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are material for the current reporting period.

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

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

NOTE 2: PROGRAM REVENUE	2017	2016
	\$	\$
Operating Revenue		
ACFE Preaccredited Training	28,331	28,698
Training	962,370	430,554
Apprenticeship Matter	4,723,608	4,746,790
DES	1,918,261	1,897,652
Community Programs	409,891	102,270
Copies R Us	95,569	255,378
Apps Connect	0	61,127
Total Operating program revenue	8,138,030	7,522,469
Other Income		
Other Income	139,258	39,160
Interest Received	55,577	60,124
Dividends Received	464	603
E-focus Income	8,333,329	7,622,356
Consortium Income of external parties	2,244,890	2,197,074
TOTAL REVENUE	10,578,219	9,819,430

NOTE 3: CASH AND CASH EQUIVALENTS

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the Statement of Financial Position as follows :

Current Assets

Cash at bank and in hand	955,090	1,095,484
Short term bank term deposit	2,180,584	1,600,000
TOTAL	3,035,674	2,695,484

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

NOTE 4: TRADE AND OTHER RECEIVABLES	2017	2016
	\$	\$
Current		
Trade Debtors	724,681	331,554
Less provision for impairment	(3,000)	(3,000)
Net Trade debtors	721,681	328,554
Grants receivable	0	62,810
Other receivables	553,451	601,684
Total Trade and Other Debtors	1,275,132	993,048
NOTE 5: FINANCIAL ASSETS		
Non-current		
Shares in unlisted company – Community Bank	5,000	5,000
Unsecured Loan- Training Organisation	0	43,000
Total Non-Current Financial Assets	5,000	48,000
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment - at cost	118,440	118,440
Less Accumulated depreciation	(113,878)	(100,190)
Total Plant and Equipment	4,562	18,250
Fixtures and Fittings – at cost	18,101	49,031
Less Accumulated depreciation	(6,283)	(23,930)
Total Fixtures and Fittings	11,818	25,101
Computer Equipment and Software – at cost	86,418	92,342
Less Accumulated depreciation	(68,701)	(55,847)
Total Computer Equipment and Software	17,717	36,495
Office Furniture and Equipment – at cost	168,116	9,011
Less Accumulated depreciation	(107,760)	(152,907)
Total Office Furniture and Equipment	60,356	86,104
Leasehold Improvements – at cost	225,271	227,261
Less Accumulated depreciation	(217,364)	(210,095)
Total Leasehold Improvements	7,907	17,166
Motor Vehicles	152,450	143,029
Less Accumulated depreciation	(53,889)	(38,574)
Total Motor Vehicles	98,561	104,455
TOTAL PROPERTY, PLANT AND EQUIPMENT	200,921	287,571

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Gross carrying amount	Plant & Equipment	Fixtures & Fittings	Computer Equipment & Software	Office Furniture & Equipment	Leasehold Improvements	Motor Vehicles	Total
Balance 1 July 2016	18,250	25,101	36,495	86,104	17,166	104,455	287,571
Additions	0	0	6,622	4,538	0	23,569	34,729
Disposals	0	30,930	12,547	75,431	1,990	14,149	135,047
	18,250	(5,829)	30,570	15,211	15,176	113,875	187,253
Depreciation and impairment							
Disposals	0	20,557	12,396	63,752	1,547	7,071	105,323
Depreciation	13,688	2,910	25,249	18,607	8,816	22,385	91,655
Balance 30 June 2017	4,562	11,818	17,717	60,356	7,907	98,561	200,921

NOTE 7: TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade Payables	511,563	511,424
Other Payables	521,773	501,117
	1,033,336	1,012,541

NOTE 8: PROVISIONS**Current Provisions**

Employee Leave	649,034	611,597
Business Risk – Note 1 j)	61,630	83,607
	710,664	695,204

Non-current Provisions

Long Service Leave	68,631	78,142
TOTAL PROVISIONS	779,295	773,346

Gross carrying amount	Redundancy	Annual Leave	Long Service Leave	Total
Balance 1 July 2015	47,702	345,960	349,024	742,686
Additions	54,000	365,871	80,678	500,549
Paid	18,095	356,335	95,459	469,889
Balance 30 June 2016	83,607	355,496	334,243	773,346
Additions	60,000	465,328	45,042	570,370
Paid	81,977	425,192	57,252	564,421
Balance 30 June 2017	61,630	395,632	322,033	779,295

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2017**

NOTE 9: CONSORTIUM INCOME AND DISTRIBUTION

The nature of E-focus business is such that in certain situations a consortium of similar organisations tenders for a contract to provide a range of services. By nature usually one of the consortium organisations becomes the lead provider. In this situation this lead organisation receives all of the income, retains its entitlement and distributes the appropriate entitlement to the other consortium members. The Consortium Income of \$2,244,890 (2016; \$2,197,074) shown is the external parties share of the Consortium Income.

NOTE 10: CONTINGENT LIABILITIES & CONTINGENT ASSETS	2017	2016
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable are:	0	0

No contingent Liabilities or Assets exist.

NOTE 11: LEASE COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable – minimum lease payments		
- no longer than 1 year	629,996	660,410
- longer than 1 year but not longer than 5 years	59,925	744,954
- greater than 5 years	0	0
TOTAL LEASE COMMITMENTS	689,921	1,405,364

NOTE 12: ECONOMIC DEPENDENCE

The entity is economically dependent on Commonwealth and State Government departments for Grant Funding. If funds are not spent in accordance with Grant Conditions the departments can suspend future grants or reclaim all or part of the grant(s).

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

The total of remuneration paid to key management personnel (KMP) of the entity during the year is as follows:

Short-term employee benefits	726,114	763,774
Post-employment benefits	67,538	72,559
Other long-term benefits	0	0
Termination benefits	83,466	0
TOTAL	877,118	836,333

HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus

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

NOTE 14: RELATED PARTY TRANSACTIONS

Key management personnel

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

Transactions with related parties

On 27th October 2016 Stephen Chenoweth was appointed to the Board. Payment to accounting firms in which he is associated were not on special terms and amounted to \$7,533 for the year.

Receivable from and payable to related parties

There were no trade receivables from related parties at the current and previous reporting date.

There were trade payables to related parties amounting to \$660 at the current reporting date and Nil at the previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current or previous reporting date.

NOTE 15: FINANCIAL RISK MANAGEMENT	Note	2017	2016
		\$	\$
The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.			
The carrying amounts for each category of financial instruments, measured in accordance with AASB 139; <i>Financial instruments: Recognition and Measurement</i> as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents	3	3,035,674	2,695,484
Trade and other debtors	4	1,275,132	993,048
Shares in unlisted company – Community Bank	5	5,000	5,000
Unsecured Loan - Training Organisation	5	0	43,000
Total financial assets		4,315,806	3,736,532
Financial Liabilities			
Trade and other payables	7	1,033,336	1,012,541
Total financial liabilities		2,502,552	3,191,251

NOTE 16: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 17: ASSOCIATION DETAILS

The registered office of the association is:
Level 1 / 73 Burgundy Street,
Heidelberg Vic 3084

The principal place of business is: at the registered office.

**HEIDELBERG TRAINING & RESOURCE CENTRE INC.
Trading as E-focus**

STATEMENT BY MEMBERS OF THE BOARD

**Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013
And the Associations Incorporation Reform Act 2012**

The Board declare that in the Board's opinion:

- (a) The financial statements and notes satisfy the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act).
- (b) At the date of this statement there are reasonable grounds to believe that Heidelberg Training & Resource Centre Inc. trading as E-focus is able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulations).



Monika Engelhard
Chairperson



Annette Meller
Secretary

Heidelberg
Dated this

25th day of September 2017

Heidelberg Training & Resource Centre Inc. Trading as E-Focus

ABN: 93 430 504 658


Auditor's Independence Declaration to the Members of Heidelberg Training & Resource Centre Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 60.40 of the *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.



Saward Dawson



Jeffrey Tulk

Partner

Blackburn

Dated: 25 September 2017

Heidelberg Training & Resource Centre Inc.

Trading as E-focus

ABN: 93 430 504 658

Independent Audit Report to the members of Heidelberg Training & Resource Centre Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Heidelberg Training & Resource Centre Inc., which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report of Heidelberg Training & Resource Centre Inc. is 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 Heidelberg Training & Resource Centre Inc.'s financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements 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- Reduced Disclosure Requirements. 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 Heidelberg Training & Resource Centre Inc. 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.

Responsibilities of the Board for the Financial Report

The Board of Heidelberg Training & Resource Centre Inc. is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal controls as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Heidelberg Training & Resource Centre Inc.' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Heidelberg Training & Resource Centre Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Heidelberg Training & Resource Centre Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Saward Dawson



Jeffrey Tulk
 Partner

Blackburn, VIC

Dated: 25 September 2017