



Executive Director's Report

As at 30th June 2013

The 2012-2013 year has been a year of foundational activities coupled with exciting growth and development for Frontline Foundation Inc.

Establishment of Frontline Foundation Inc.

The establishment of Frontline Foundation Inc. was endorsed by the Connect City Church (CCC) Committee of Management in February 2011 in support of Missions, specifically, to secure funding to support community-based projects. Missions is the heartbeat of God. Missions is joyfully advancing God's kingdom through the planting, establishing and strengthening of local churches.

In 23 March 2011, Frontline Foundation Inc. (Frontline) became an incorporated association, incorporated under the Victorian Associations Incorporation Act 2010. Frontline has adopted the Victorian model as its initial constitution. Frontline holds an ABN and is registered for GST.

Frontline is established to be a not for profit international aid organisation based in Melbourne, Australia that aims to be a "*channel of hope*" to the less-privileged people in regions of the world that needs support by "*helping one community at a time*" through holistic community aid and development activities and programs.

The first year of operation (2011 - 2012) focussed on foundational activities:

1. Seek endorsement from the Australian Taxation Office (ATO) as a "*tax concession charity*".
2. Seek professional advice from ChurchBiz Pty Ltd on the most appropriate structure to house Frontline's international aid objectives and the process to follow to implement these objectives. This was conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional and Ethical Standards Board Limited (APESB), and with any other relevant regulatory requirements. The report provided options both on a short term and long term basis.
3. Fund an initial set of three (3) projects in the Philippines for a total of PHP 102,700 (approximately AUD 2,600):
 - *Livelihood* – Provision of tricycle for the Cogeo community for marriage counselling (PHP 75,000)
 - *Clean Water* – Installation of standard deep well facility for a community in Iligan City (PHP 20,000)
 - *Education* – Provision of teaching materials, tables and chairs for an urban poor learning centre in Barangay San Juan, Apalit, Pampanga (PHP 7,700).

Establishment of a Strategic Partnership with ACC International Relief (ACCIR)

Frontline's long term future is best served by putting in place a developing country relief fund which is exclusively for the relief of persons in declared developing countries. By adhering with the requirements of the Overseas Aid Gift Deduction Scheme (OAGDS), a developing country relief fund can be approved to receive tax deductible donations (deductible gift recipient (DGR)) in support of its overseas aid programs.

The process to obtain a DGR status is quite time consuming and complex. It will take at least two (2) years as one of the criteria states that the relevant activities should cover a period of at least one year and preferably two.

In the short term, Frontline can create a strategic relationship with an existing overseas aid and development entity with a DGR status such as ACC International Relief (ACCIR) to facilitate the receipt of tax deductible donations and to assist in the implementation of its overseas aid programs and activities (where such programs and activities are approved by ACCIR).

ACCIR is the Aid and Development arm of the Australian Christian Churches (ACC). Their three (3) core activities are:

1. Community Development - by addressing the issues of poverty and injustice through supporting holistic development initiatives
2. Disaster Relief - through immediate support in the wake of natural disasters, both in Australia and in developing countries)
3. Children's Programs - through community-based care for children in need offering support for education, healthcare and other necessities).

The second year of operation (2012-2013) continued to focus on foundational activities, specifically focussing on the process to establish the strategic partnership with ACCIR. The process commenced in July 2012 with an initial meeting between Frontline Foundation (Tess Abadilla, Executive Director and Jan Moody, Head of Projects) and ACCIR (Chad Irons, General Manager, and Nicolette Ranieri, Programs Manager).

To date, this process is continuing whereby the proposed pilot projects

- Badjao Community Development Project and
- Frontline Organisation Development Project

are subjected to stringent compliance requirements to ensure that these projects are compliant with all appropriate regulations.

It is envisaged that the strategic partnership agreement between Frontline and ACCIR will be signed by end of December 2013. Subsequently, these pilot projects will be implemented in Frontline's third year of operation (2013 – 2014).

Establishment of Frontline Social Services Philippines

As part of the compliance requirements, to implement a project in the Philippines, it was imperative that the local NGO selected to be the project coordinator for Frontline has obtained a license from DSWD (Department of Social Welfare and Development). There were two (2) options available:

- Option 1: Through Connect City Church (CCC) Philippines
- Option 2: Through a new entity Frontline Social Services

Option 1 was initially selected in March 2013 but this proved to be difficult and complex. The last complication was the advice given late in June 2013 that the church (CCC Philippines) cannot be given a social services license. Therefore, a new social services entity had to be created.

As a result, Option 2 was selected. A new entity named Frontline Social Services will need to be established independent of CCC Philippines.

Badjao Community Development Project (Pilot Project 1)

The initial pilot project to be implemented by Frontline as part of its strategic partnership with ACCIR is the Badjao Community Development Project. It aims to support the livelihood program for the Badjao Community. Project funding required is AUD 8,000. A project proposal has been developed and submitted to the ACCIR Project Review Committee (PRC) for their review and approval.

Furthermore, as part of the ACCIR compliance requirement, a Badjao Community Assessment Workshop was held on 26 Jan 2013 at the Badjao Born-again Church in Callejon, Libjo, Batangas City. This was done to ensure the needs has been identified by the community. Subsequently, a project manager has been appointed to oversee the implementation of this project (Ps Albert Santiago).

Frontline Organisation Development Project (Pilot Project 2)

As a newly commenced not for profit international aid organisation, Frontline needs to set the right strategies and foundations in place (such as people, processes and systems, structure and technology) in order to achieve its goals and be effective, efficient and viable in the long-term. Furthermore, it needs to ensure it adheres to laws and internationally recognised guidelines in the area of overseas development activities. Project funding required is AUD 5,800. A project proposal has been developed and submitted to the ACCIR PRC for their review and approval.

Financial Performance

Funding sources for Frontline during this financial year were the following:

- Radiant Missions (from Radiant Women's Conference)
- Connect City Church
- Donor (David Reid).

In the absence of a signed strategic partnership agreement with ACCIR, an arrangement was agreed with ACCIR to draft a Memorandum of Understanding (MOU) with the relevant funding sources to accept donations and issue tax deductible receipts. The donations received less the compliance charge of 8% will be released to Frontline's project funds once it has met compliance requirements and been approved by the ACCIR Project Review Committee (PRC).

Overall, 2012-2013 was a good year for Frontline. For more detail on our financial performance, please refer to our Summary Financial Report.

Our Future Ahead

The last two years (2011 – 2013) has been foundational and positioning for growth. For the next year (2013 – 2014), we will implement the pilot projects, set the strategic direction for the next three years (2014 – 2017) and establish the right foundations in place (such as people, processes and systems, structure and technology) in order to achieve its goals and be effective, efficient and viable in the long-term.

We have a strong commitment to help communities and individuals experience real and holistic transformation as we work with them to alleviate poverty and support the needy.

Thank you for your support.

Maria Teresa Abadilla



Committee of Management (Board)

As at 30th June 2013

Chair

Maria Teresa Abadilla

Executive Director, Frontline Foundation

Pastor, Connect City Church (CCC) Main Campus

Treasurer

Nenita Go

Finance Officer, Frontline Foundation

Secretary

Cenalyne Cortez

Board Secretary, CCC Committee of Management

Corporate Services Officer, Frontline Foundation

Member

Jeanette Moody

Pastor, CCC Main Campus

Head of Projects, Frontline Foundation

Ordained Pastor

Member

Maximino Flores

Pastor, CCC West Campus

Ordained Pastor

Member

Ernesto Iradiel

Pastor, CCC East Campus

Member of ACC Multinational Executive Team

Ordained Pastor

Member

Allan Vitug

Pastor, CCC North (Main) Campus