

A.Q.A. VICTORIA LTD
A.B.N. 90 006 691 185

Financial Report

30 June 2008

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DIRECTORS' REPORT

Your directors submit their report on the company for the year ended 30 June 2008.

DIRECTORS

The names and details of the directors of the company during or since the end of the year are:

Names and Qualifications

Kevin Bailey

Joined the Board in November 2000. Volunteer Peer Support worker for AQA. Regional Advocate. Previous roles as heavy machinery operator, station hand and construction materials supplier. Additional community work serving as Deputy Chairman of Employment Works (Swan Hill) and Committee person of Cohuna Learning Centre.

Tanya Clarke

Dip. IT (Software Development), Dip. IT (Multimedia)

Joined the Board in October 2002. Web Designer, Disability Advocate. Ambassador of Assistance Dogs Australia (ADA) involving promotional activities, fundraising and addressing community groups and the corporate sector to create awareness for ADA. Consulting with people with a disability re viability of an ADA placement.

Wendy Lundgaard

B. Bus, Prof Dip in HR, Cert IV Workplace Training & Assessment, GAICD, and Fellow WCLP

Joined the board in November 2004. 25 years in senior management, spanning strategic human resources, operations, marketing and public relations, quality assurance and corporate governance. Community sector board/committee management within sport and recreation, disadvantaged and rural youth, child care; currently construction industry training and development and community leadership.

Rosie Maddick

Master of Social Work (Health), B.A., G.Dip.Soc.Studs, G.Dip.Crim., MAASW

Joined the board in November 2005. Social worker with 31 years experience in disability, health, human services management and child & family work. Also accredited loss and grief counsellor with NALAG.

Stephen Huybens

B.Comm & Acctg, Grad Cert Comm.Law Mgt, GAICD

Joined the board in November 2006. Senior management experience in the IT&T sector with specific expertise in commercial management, project development and contract negotiations. Community sector involvement includes junior basketball coaching and wheelchair basketball.

Jaqueline Wilson

MBA, MProfEthics, GradDipAppCorpGov, FAIM, ACIS, GAICD

Joined the board in November 2006. Extensive management experience in strategic development and execution, ethics and governance, commerce, business administration, service delivery, operations and logistics within a variety of industry sectors including IT and manufacturing. Jacqui is currently Director of Corporate Services for a community health organisation. Community interests span women's social policy and children with special needs.

Jane Polglase

B.Arts/Law, Admitted 2002

Joined the Board in November 2006. Practicing lawyer and senior associate specializing in governance, contract law, OH&S and statutory interpretation. Current volunteer at Darebin Community Legal Centre and previously at the Asylum Seeker Legal Centre and Anti-Discrimination Commission (Tasmania).

William Robinson

Diploma of Law, Diploma of Criminology, Fellow FSLA.

Joined the Board in November 2007. Chief executive experience across Federal and State Government and statutory bodies spanning legal aid, corporate regulation, regulation of legal profession and dispute resolution as customer advocate within the banking sector. Previous Board management experience includes compliance committee and chairmanship of internal audit committee.

DIRECTORS' REPORT (Continued)

DIRECTORS (CONTD)

Kerry Durrand

Bachelor of Commerce, CPA.

Joined the board in November 2007. 14 years experience in administration and management in Australia and overseas, with a focus on budget and financial management. Practising CPA, and has volunteered with CPA Australia to promote women's interests. Currently employed at the Metropolitan Ambulance Service.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company with the director, a firm in which the director is a member, or an entity in which the director has a substantial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received, or due and receivable, by directors as shown in the company's financial accounts for the financial year or the fixed salary of a full-time employee of the company.

MEETINGS OF DIRECTORS

	Number Eligible to Attend	Number Attended
Kevin Bailey	12	11
Tanya Clarke	12	10
Wendy Lundgaard	12	10
Rosie Maddick	12	10
Stephen Huybens	12	12
Jaqueline Wilson	12	12
Jane Polglase	12	11
William Robinson	8	8
Kerry Durrand	8	8

PRINCIPAL ACTIVITIES

The principal activity of the company was to support persons with quadriplegia and similar physical disabilities. There has been no significant change in this activity during the financial year.

OPERATING RESULTS

The net result for the financial year is \$330,631 (2007: \$157,048)

No deduction for income tax has been made, as the company has been granted exemption from taxation as a charitable institution by virtue of Subdivision 50-A of Part 2-15 of the Income Tax Assessment Act.

DIVIDENDS PAID OR RECOMMENDED

The constitution of AQA Victoria Ltd does not allow for the payment of dividends to shareholders.

ENVIRONMENTAL REGULATION

AQA Victoria Ltd is not subject to any significant environmental regulation in respect of its activities.

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS

A review of the company's operations during the year is set out in the CEO's report, whilst the results for the year ended 30 June 2008 are set out later in the financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial year, which significantly effect or may significantly affect the operations, results or state of affairs of the company in the financial year subsequent to 30 June 2008.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

At the date of this report, there are no likely developments in the operations of the company required to be reported in accordance with sub-section 299(1)(e) of the Corporations Act, 2001.

SHARE OPTIONS

No options to issued shares in the company were granted during or since the financial year and there were no options outstanding at the end of the financial year.

DIRECTORS' BENEFITS

During or since the financial year, no director of the company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the accounts, by reason of a contract entered into by the company or a body corporate that was related to the company when the contract was made or when the director received, or became entitled to receive, the benefit with:

- a director, or
- a firm of which a director is a member, or
- an entity in which a director has a substantial financial interest.

AUDITORS AND AUDITORS INDEPENDENCE

RSM Bird Cameron Partners continue in office in accordance with section 327 of the Corporations Act 2001. A declaration of the auditor's independence as required under section 307c of the Corporations Act 2001 has been received and is attached on page 6.

DIRECTORS' REPORT (Continued)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

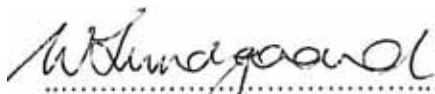
During the financial year ended 30 June 2008, the company has not:

- (a) indemnified, or agreed to indemnify against a liability that has been incurred by a person holding a position as officer or auditor, such liability including costs and expenses in successfully defending legal proceedings; or
- (b) paid, or agreed to pay a premium to insure against a liability that has been incurred by a person holding a position as officer or auditor for the costs and expenses to defend any legal proceedings;

with the exception of the following matter:

during the financial year each of the company's directors were insured against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as directors of the company, other than conduct involving a wilful breach of duty in relation to the company.

This declaration is made in accordance with a resolution of the directors.


.....
Wendy Lundgaard
Director


.....
Kerry Durrand
Director

Melbourne
22nd September 2008

RSM Bird Cameron Partners

Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of AQA Victoria Ltd for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Chartered Accountants

R B Miano

R B MIANO

Partner

Melbourne, Victoria

Dated: *22 September 2008*

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



INCOME STATEMENT

For the year ended 30 June 2008

	Notes	2008	2007
		\$	\$
Revenue from continuing operations	2	6,218,726	5,280,893
Employee benefits expense		(5,409,017)	(4,653,221)
Depreciation expense		(36,191)	(44,175)
Fundraising expenses		-	(63,614)
Other expenses from ordinary activities		(442,887)	(362,835)
Profit before income tax	3	<u>330,631</u>	<u>157,048</u>
Income tax expense	1(g)	<u>-</u>	<u>-</u>
Profit for the year	12	<u>330,631</u>	<u>157,048</u>

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

BALANCE SHEET

As at 30 June 2008

	Notes	2008	2007
		\$	\$
Current Assets			
Cash and cash equivalents	4	2,464,998	1,732,237
Trade receivables	5	410,868	332,362
Other current assets		844	13,994
Total Current Assets		<u>2,876,710</u>	<u>2,078,593</u>
Non-Current Assets			
Property, plant and equipment	6	81,333	82,819
Total Non-Current Assets		<u>81,333</u>	<u>82,819</u>
Total Assets		<u>2,958,043</u>	<u>2,161,412</u>
Current Liabilities			
Trade and other payables	7	700,617	538,087
Accrued revenue	8	584,857	333,357
Provisions	9	195,336	100,438
Total Current Liabilities		<u>1,480,810</u>	<u>971,882</u>
Non-Current Liabilities			
Provisions	10	48,444	91,372
Total Non-Current Liabilities		<u>48,444</u>	<u>91,372</u>
Total Liabilities		<u>1,529,254</u>	<u>1,063,254</u>
Net Assets		<u>1,428,789</u>	<u>1,098,158</u>
Equity			
Contributed equity	11	-	5
Retained earnings		1,428,789	1,098,153
Total Equity		<u>1,428,789</u>	<u>1,098,158</u>

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

STATEMENT OF RECOGNISED INCOME AND EXPENSES

For The Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
Total Retained Earnings at beginning of financial year		1,098,154	941,105
Profit for the year		330,631	157,048
Transfer from Contributed Capital		<u>5</u>	<u>-</u>
Total Retained Earnings at end of financial year		<u>1,428,789</u>	<u>1,098,153</u>
Total Contributed Equity at beginning of financial year		5	5
Transfer to Retained Earnings	(11)	<u>(5)</u>	<u>-</u>
Total Contributed Equity at end of financial year		<u>-</u>	<u>5</u>
Total equity at end of financial year		<u>1,428,789</u>	<u>1,098,158</u>

The above Statement of Recognised Income and Expenses should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the year ended 30 June 2008

	Notes	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from customers and government funding		6,254,231	5,058,199
Payments to suppliers and employees		(5,624,254)	(4,983,506)
Interest received		124,487	96,619
Net cash inflow from operating activities	12	<u>754,464</u>	<u>171,312</u>
Cash flows from investing activities			
Proceeds from sale of plant and equipment		36,244	-
Payment for plant and equipment		(57,947)	(23,513)
Net cash outflow from investing activities		<u>(21,703)</u>	<u>(23,513)</u>
Net increase in cash and cash equivalents		732,761	147,799
Cash and cash equivalents at the beginning of the financial year		<u>1,732,237</u>	<u>1,584,438</u>
Cash and cash equivalents at the end of the financial year	4, 12	<u>2,464,998</u>	<u>1,732,237</u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008

1. Summary of Significant Accounting Policies

Basis of Accounting

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS.

Australian Accounting Standards includes Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of AQA Victoria Ltd comply with International Financial Reporting Standards (IFRS).

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

(a) Change in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

(b) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash includes cash on hand and in banks, and money market investments maturing within less than two months, net of outstanding bank overdrafts.

(c) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment is raised when some doubt as to collection exists.

(d) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost less, where applicable any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets employed and subsequent disposal.

The gain or loss on disposal of all fixed assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax of the company in the year of disposal.

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	20%
Computer Equipment	20 to 36%
Office Equipment	15 to 20%
Furniture & Fittings	20%
Motor Vehicles	22.5%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2008

1. Summary of Significant Accounting Policies (Continued)

(e) Employee Benefits

(i) Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other 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 entitlements.

(ii) The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

(g) Income Tax

The company is exempt from income tax by virtue of section 50 of the Income Tax Assessment Act and hence no income tax has been provided for in the accounts.

(h) Revenue

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

Revenue from the rendering of care services is recognised upon the actual provision of care to the customer.

Government funding income is recognized proportionately upon the level of actual care hours provided, compared to the agreed hours of care as per the funding agreement.

Government grant income is recognised upon the receipt of funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2008

1. Summary of Significant Accounting Policies (Continued)

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized 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.

(j) New standards and interpretations issued but not yet effective

At the date of this financial report 22 September 2008 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new standards and interpretations have not been applied in the preparation of this financial report. Other than changes to disclosure formats, it is not expected that the initial application of these new standards and interpretations in the future will have any material impact.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

2. Revenue	2008	2007
	\$	\$
Revenue from Continuing Operations		
Sales revenue	1,712	3,627
Government grants	5,890,522	5,119,516
Fundraising	5,376	16,251
Sundry income	183,627	44,880
Interest revenue	124,487	96,619
Gain on sale of property, plant and equipment	13,002	-
	<u>6,218,726</u>	<u>5,280,893</u>
3. Expenses		
(a) Profit from continuing operations before income tax includes the following specific expenses:		
Depreciation of non-current assets	36,191	44,175
Rental - operating lease	13,152	11,194
Rental - property lease	57,205	50,616
Remuneration of auditors		
Audit	11,000	11,000
Other services	2,200	2,200
Other provisions		
Provision for employment benefits	97,293	29,714
4. Cash and cash equivalents		
Cash at bank	920,883	384,021
Term deposits	1,543,615	1,347,716
Cash on hand	500	500
	<u>2,464,998</u>	<u>1,732,237</u>
5. Trade receivables		
Trade debtors	410,868	332,362
Provision for impairment	-	-
	<u>410,868</u>	<u>332,362</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

6. Property, plant and equipment	2008 \$	2007 \$
Leasehold improvements		
At cost	-	51,716
Accumulated depreciation	-	(51,716)
	<u>-</u>	<u>-</u>
Computer equipment		
At cost	63,037	151,945
Accumulated depreciation	(52,069)	(127,754)
	<u>10,968</u>	<u>24,191</u>
Motor vehicles		
At cost	52,523	89,776
Accumulated depreciation	(6,686)	(61,631)
	<u>45,837</u>	<u>28,145</u>
Office equipment		
At cost	40,106	129,412
Accumulated depreciation	(23,682)	(109,528)
	<u>16,424</u>	<u>19,884</u>
Furniture & fittings		
At Cost	34,540	98,210
Accumulated depreciation	(26,436)	(87,611)
	<u>8,104</u>	<u>10,599</u>
Total property, plant & equipment		
At cost	190,206	521,059
Accumulated depreciation	(108,873)	(438,240)
Total written down value	<u>81,333</u>	<u>82,819</u>

Property, plant and equipment - Reconciliation

	Computer equipment \$	Motor vehicles \$	Office equipment \$	Furniture & fittings \$	Total \$
At 1 July 2007	24,191	28,145	19,884	10,599	82,819
Additions	2,006	52,157	2,715	1,070	57,948
Disposals	-	(23,243)	-	-	(23,243)
Depreciation charge	(15,229)	(11,222)	(6,175)	(3,565)	(36,191)
At 30 June 2008	<u>10,968</u>	<u>45,837</u>	<u>16,424</u>	<u>8,104</u>	<u>81,333</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

7. Trade and other payables	2008	2007
	\$	\$
Trade creditors	217,366	182,969
Other creditors	483,251	355,118
	<u>700,617</u>	<u>538,087</u>
Other creditors include \$258,798 of provisions for annual leave (2007: \$204,834)		
8. Accrued revenue		
Accrued revenue – government grants	<u>584,857</u>	<u>333,357</u>
9. Provisions- current		
Employee benefits – Long service leave	<u>195,336</u>	<u>100,438</u>
10. Provisions- non current		
Employee benefits – Long service leave	<u>48,444</u>	<u>91,372</u>
11. Contributed Equity		
5 ordinary shares of \$1 each fully paid	<u>-</u>	<u>5</u>
	<u>-</u>	<u>5</u>

Members' Guarantee:

The company is limited by shares and guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 30 June 2008, the number of members was 135 (2007: 249).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

12. Reconciliation of operating cash flows	2008	2007
	\$	\$
a) Reconciliation of the operating profit for the year		
Operating profit for the year	330,631	157,048
Depreciation of non-current assets	36,191	44,175
Net gain on disposal of property, plant and equipment	(13,002)	-
Changes in assets and liabilities		
(Increase)/decrease in prepayments	13,150	(930)
(Increase) in trade receivables	(78,506)	(127,820)
Increase/(decrease) in provisions for employee benefits	105,933	(175,122)
Increase in trade and other payables	360,067	273,961
Net cash inflow from operating activities	<u>754,464</u>	<u>171,312</u>
b) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
- Cash on hand	500	500
- Bank accounts	920,883	384,021
- Term deposits	1,543,615	1,347,716
Closing cash and cash equivalents	<u>2,464,998</u>	<u>1,732,237</u>
13. Lease commitments		
Operating lease commitments		
Not later than one year	73,786	57,904
Later than one year, but not later than five years	96,225	173,712
	<u>170,011</u>	<u>231,616</u>

These commitments comprise office premises rental and the hire of a printer and photocopier.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

14. Key management personnel disclosures

(a) Key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the year:

<i>Name</i>	<i>Position</i>
Peter Trethewey	Chief Executive Officer
Nazim Erdem	Team Leader – Information / Peer Support
Carolyn Gallagher	Team Leader – AQA Qualcare
Samantha Coustley	Human Resources Coordinator
Fiona Gologranc	Accounts Supervisor
Robyn Canning	Executive Assistant

All of the above persons were also key management persons during the year ended 30 June 2008.

(b) Key management personnel compensation

	2008	2007
	\$	\$
Short-term employee benefits	378,856	327,414
Long-term benefits	-	74,683
	<u>378,856</u>	<u>402,097</u>

15. Financial instruments

(a) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the company. Credit risks arise due to the company's holdings of both cash assets (deposits with banks) and trade receivable assets held with customers and other providers of funds. In respect to deposits with banks, these credit risks are managed via the company's policy of only investing in deposit products with the highest credit ratings available. In respect to trade receivable assets, these credit risks are managed via reviews of credit ratings for any potential material debtor. The company, while exposed to credit related losses in the event of non-performance by counter-parties to financial instruments, does not expect any material losses due to counter parties failing to meet their obligations.

The age breakdown of trade receivable as at 30 June is as follows:

	2008	2007
	\$	\$
Current	273,364	133,040
31-60 Days	39,664	10,883
61-90 Days	5,273	7,936
Over 90 Days	36,218	37,562
	<u>354,519</u>	<u>189,421</u>

For the year ended 30 June 2008

15. Financial instruments (Cont.)

(a) Credit risk (Cont.)

The maximum credit risk exposure of financial assets is represented by the carrying amounts of assets recognised in the financial statements. The company does not have any significant concentration of credit risk with any single counterparty or group of counterparties.

(b) Liquidity risk

Liquidity risk refers to the risk that the company will encounter difficulty in meeting obligations concerning its financial liabilities. The company has no loans payable and its financial liabilities are limited to its trade and other creditors. Liquidity risk is therefore insignificant as the company's cash reserves significantly exceed the remaining financial liabilities that it expects to settle by cash payment.

(c) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2008	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	1 – 5 years	More than 5 years	Non-interest bearing	
Financial assets						
Cash and cash equivalents	921,383	1,543,615	-	-	-	2,464,998
Trade receivables	-	-	-	-	410,868	410,868
	<u>921,383</u>	<u>1,543,615</u>	<u>-</u>	<u>-</u>	<u>410,868</u>	<u>2,877,866</u>
Effective interest rates/weighted average interest rate	4.35%	7%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	700,617	700,617
Accrued revenue	-	-	-	-	584,857	584,857
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,285,474</u>	<u>1,285,474</u>
Effective interest rates/weighted average interest rate	-	-	-	-	-	-
Net financial Assets/(liabilities)	<u>921,383</u>	<u>1,543,615</u>	<u>-</u>	<u>-</u>	<u>(874,606)</u>	<u>1,590,392</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2008

15. Financial instruments (Cont.)

(c) Interest rate risk (Cont.)

2007	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	1 – 5 years	More than 5 years	Non-interest bearing	
Financial assets						
Cash and cash equivalents	384,521	1,347,716	-	-	-	1,732,237
Trade receivables	-	-	-	-	332,362	332,362
	<u>384,521</u>	<u>1,347,716</u>	<u>-</u>	<u>-</u>	<u>332,362</u>	<u>2,064,599</u>
Effective interest rates/weighted average interest rate	4%	6%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	538,087	538,087
Accrued revenue	-	-	-	-	333,357	333,357
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>871,444</u>	<u>871,444</u>
Effective interest rates/weighted average interest rate	-	-	-	-	-	-
Net financial Assets/(liabilities)	<u>384,521</u>	<u>1,347,716</u>	<u>-</u>	<u>-</u>	<u>(539,082)</u>	<u>1,193,155</u>

16. Segment reporting

The company operates in the community aids sector where it provides employment and support for people with quadriplegia and similar physical disabilities predominately within Victoria and Tasmania, Australia.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 7 to 20:

- (a) comply with Accounting Standards the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.


.....
Wendy Lundgaard
Director


.....
Kerry Durrand
Director

Melbourne
22nd September 2008

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AQA VICTORIA LTD

We have audited the accompanying financial report of AQA Victoria Ltd ("the company"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards

Auditor's Responsibility

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

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

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

Liability limited by a
scheme approved under
Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an
independent member firm of RSM
International, an affiliation of independent
accounting and consulting firms.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of AQA Victoria Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; [and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



RSM BIRD CAMERON PARTNERS
Chartered Accountants



R B MIANO
Partner

Melbourne, Victoria
Dated: 22 September 2008