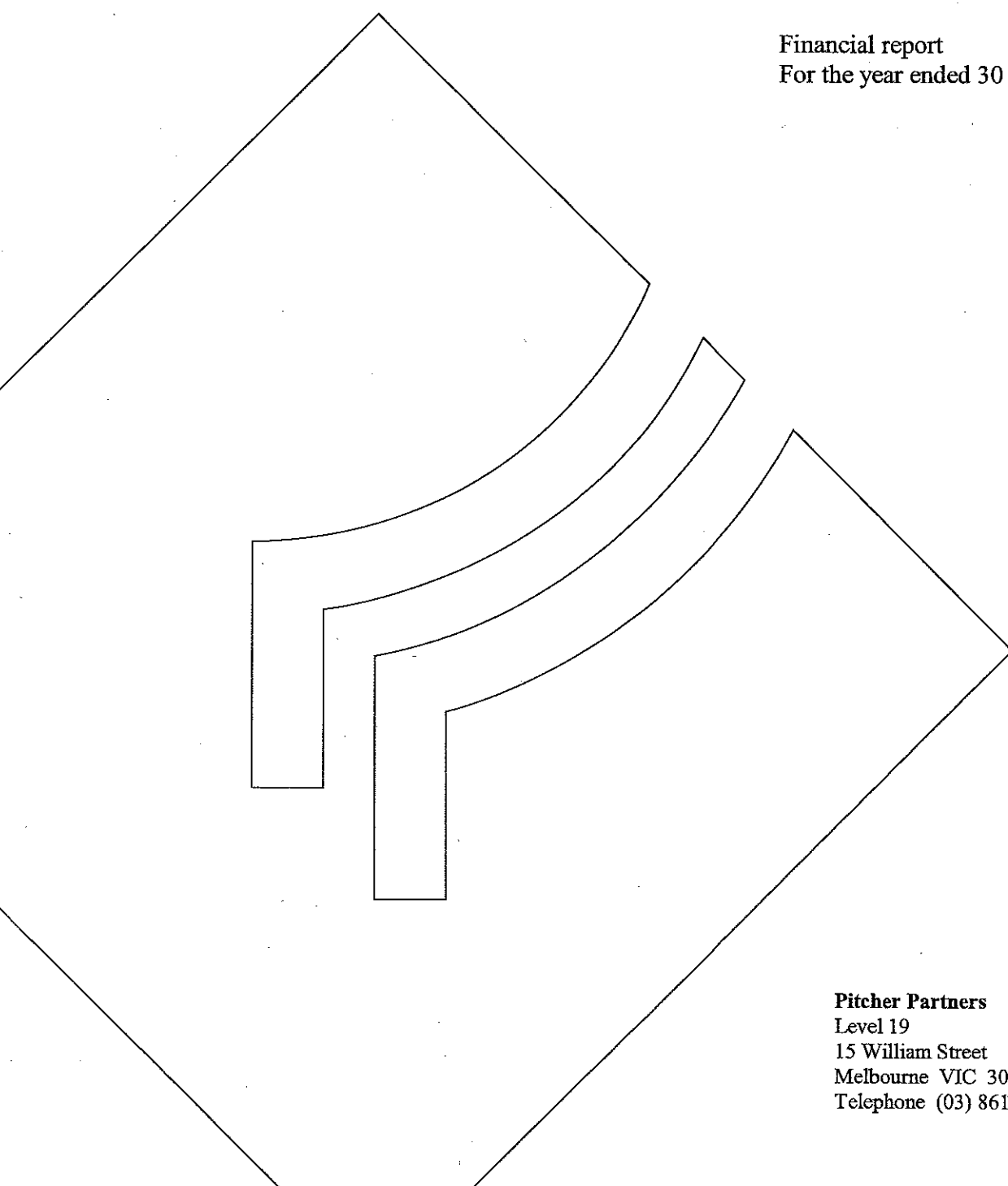




A.Q.A. Victoria Ltd

ABN 90 006 691 185

Financial report
For the year ended 30 June 2010



Pitcher Partners
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A.Q.A. VICTORIA LTD
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DIRECTORS' REPORT

The directors present their report together with the financial report of A.Q.A. Victoria Ltd for the year ended 30 June 2010 and auditors report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Kevin Bailey - Resigned 23 November 2009.

Tanya Clarke

Wendy Lundgaard - Resigned 30 June 2010.

Rosie Maddick

Kerry Durrand

Jacqueline Wilson - Resigned 30 June 2010.

Jane Beaumont - Resigned 28 June 2010.

Steve Mollison - Appointed 23 November 2009.

Robyn Hunter - Appointed 23 November 2009.

Nick Walker - Appointed 23 November 2009.

Terri Smith - Appointed 28 June 2010.

Mark Licciardo - Appointed 26 July 2010.

Martin Nally - Appointed 26 July 2010.

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

Interest in contracts or proposed contracts with the company

No directors have received or have 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.

Results

The profit of the company for the year amounted to \$433,000 (2009: \$197,442).

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.

DIRECTORS' REPORT

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Company objectives

A.Q.A. Victoria Ltd is a provider of support and services for people who sustain spinal cord injuries (quadriplegia and paraplegia) and similar physical disabilities. A.Q.A. Victoria Ltd provides a well established attendant care service (A.Q.A. Qualcare) for clients living with physical disabilities including spinal cord injury.

A.Q.A. Victoria Ltd also provides a valued information/peer support service that operates on two levels: raising awareness and educating the community about the issues of spinal cord injury (SCI); and, motivating and assisting those with SCI during their rehabilitation and re-integration in the community.

Principal activities

The principal activity of the company during the year was to support persons with spinal cord injury and similar physical disabilities.

No significant change in the nature of these activities occurred during the year.

DIRECTORS' REPORT

Company performance

A.Q.A Victoria Ltd measures its performance using the following key target areas and strategies as indicators:

1. Members and Clients - Increase and diversify member involvement and pursue advocacy in a way that meets the vision and mission.
2. Service Excellence - Further develop successful programs such as Peer Support and Qualcare to deliver our Vision and Mission.
Increase the recognition of our brand which complements our Mission, embraces our Vision and enables us to be suitably marketed
3. Community Partnerships - Expand collaboration opportunities and then engage with like minded organisations to strengthen the breadth, depth and reach of services
4. Sustainable Enterprise - Strengthen the capacity of the organisation by developing a sustainable workforce strategy.
Establish and maintain a solid financial position
Monitor the external environment and develop appropriate strategies to mitigate risk
5. Committed Leadership - Continuously improve Board performance

A detailed report as to the company's progress against each of these target areas is contained in the 2010 Annual Report

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

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

DIRECTORS' REPORT

Information on directors and company secretary

Kevin Bailey

Joined the board in November 2000 and resigned in November 2009. Volunteer Peer Support worker for A.Q.A. 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 member of Cohuna Learning Centre Committee.

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

MHRM, BBus, CertWorkplaceTraining&Assess't, GAICD, FWCL, FAIM
Joined the board in November 2004 and resigned in June 2010. 25 years in senior management, spanning strategic human resources, operations, marketing and public relations, quality assurance and 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

MSocialWork(Health), BA., GradDipSocStuds, GradDipCrim., MAASW.
Joined the board in November 2005. Social worker since 1975 in disability, health, human services management and child & family work. Also accredited loss and grief counsellor with NALAG.

Kerry Durrand

BCom, 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 Ambulance Victoria.

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DIRECTORS' REPORT

Jacqueline Wilson

MBA, MProfEthics, GradDipAppCorpGov, FAIM, ACIS, GAICD
Joined the board in November 2006 and resigned in June 2010. 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 interest span women's social policy and children with special needs.

Jane Beaumont

Company Secretary 1 July 2009 - 28 June 2010.

B.Arts/Law, Admitted 2002.

Joined the board in November 2006 and resigned in June 2010. Practising lawyer specialising in governance, commercial and contract law, and administrative law. Previous volunteer at Darebin Community Legal Centre and the Asylum Seeker Legal Centre and Anti-Discrimination Commission (Tasmania).

Steve Mollison

BBus(Marketing), MBA.

Joined the board in November 2009. Steve's career spans roles in marketing, funds administration, web design and more recently as a technical manager and rapid application development manager within the corporate sector. Interests in strategy and development, particularly on web based applications, management expertise, technical talent and real world experience as a person living and working with SCI.

Robyn Hunter

BAppSc(Physiotherapy), MBA

Joined the board in November 2009. Background in physiotherapy, working in the hospital and home based rehabilitation settings for ten years before moving into rehabilitation services management in private hospitals, and health services management in private health insurance. Served in various senior roles including managing the preparation for privatisation and health services purchasing arrangements.

Nick Walker

BBus(Accntg/LegalStudies), CPA, Registered Company Auditor (RCA).

Joined the board in November 2009. Currently a senior audit manager with a mid-tier accounting firm. Extensive experience in audit, financial reporting and due diligence reviews spanning corporate and not-for-profit sectors. Raised in Dareton (south-western New South Wales) and having commenced his career in Mildura, Nick has a strong interest in the rural and regional sectors.

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DIRECTORS' REPORT

Terri Smith

Appointed Company Secretary 28 June 2010.

BA, Grad Dip Community Development, Master Soc Sci – Policy and Management, GAICD

Joined the board in June 2010. Terri has extensive management experience in the not for profit and health sector. Terri is currently CEO of Optometrists Association Australia – Victoria. She has been deputy CEO of Breast Cancer Network Australia and managed a large community health service. She brings substantial experience in government liaison, service management, strategic planning, financial management and governance.

Mark Licciardo

B.Bus (Acc), GradDip CSP, FCIS, MAICD

Joined the Board in July 2010. Managing Director of Mertons Corporate Services Pty Ltd (Mertons) which provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies. Mark is also a non-executive director of Melbourne Fringe Limited. Prior to establishing Mertons, Mark was Company Secretary of the Transurban Group (2004-07) and Australian Foundation Investment Company Limited, Djerriwarrh Investments Limited, AMCIL Limited and Mirrabooka Investments Limited (1997-04). Mark has also had an extensive commercial banking career with the Commonwealth Bank and State Bank Victoria.

Martin Nally

B.Ec, B.Bus Stud., FAHRI, FAII, MAICD

Joined the board in July 2010. Founder and Managing Director of hranywhere - a Human Resources Service Company, offering People solutions to meet business needs. Martin has been an HR practitioner for over 25 years. He has held a number of Executive HR positions across Blue Chip Australian and International Companies. Martin holds degrees in Economics (University of Tasmania) and Business Studies (Victoria College). He is also a Fellow of the Australian Human Resources Institute, a Fellow of the Australian Institute of Insurance and a Chartered Member of the Institute of Company Directors. Martin is an Executive Committee member of ASHRR (Aust Senior HR Roundtable) and is a member of RMIT's Advisory Board on Management, Chairman of the Board at St Kevin's College, Toorak, and a Director of Aspire Learning.

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DIRECTORS' REPORT

Meetings of directors

Directors	Directors' meetings		Finance Committee meetings		Risk & Compliance Committee meetings		Development & Fundraising Committee meetings		Nominations & Appointments Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kevin Bailey	4	2	-	-	2	2	2	2	-	-
Tanya Clarke	12	8	-	-	-	-	5	4	-	-
Wendy Lundgaard	12	12	-	-	-	-	-	-	1	1
Rosie Maddick	12	10	-	-	-	-	5	4	-	-
Kerry Durrand	12	12	10	8	-	-	-	-	1	1
Jacqueline Wilson	12	10	7	4	-	-	-	-	-	-
Jane Beaumont	12	11	-	-	5	5	-	-	-	-
Steve Mollison	8	6	-	-	3	2	-	-	-	-
Robyn Hunter	8	7	-	-	3	3	-	-	-	-
Nick Walker	8	7	6	5	-	-	-	-	-	-
Terri Smith	1	1	1	1	-	-	-	-	-	-

Options

No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

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 to a maximum of \$100 each towards meeting any outstanding obligations of the group. At 30 June 2010 the number of members was 155. The combined total amount that members of the company are liable to contribute if the company is wound up is \$15,500.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the company.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

DIRECTORS' REPORT

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

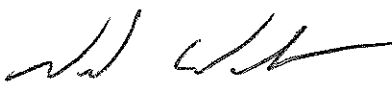
Directors' Benefits

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 directors 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.

Signed in accordance with a resolution of the board of directors.

Director: 
Kerry Durrand

Director: 
Nick Walker

Dated this 27th day of September 2010



A.Q.A. VICTORIA LTD
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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF A.Q.A. VICTORIA LTD

In relation to the independent audit for the year ended 30 June 2010, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.


T J BENFOLD

Partner


PITCHER PARTNERS

Melbourne

Date: 28 September 2010

A.Q.A. VICTORIA LTD
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Revenue			
Sales revenue	4	6,852,780	6,442,100
Revenue from continuing operations	4	<u>248,335</u>	<u>261,959</u>
	4	<u>7,101,115</u>	<u>6,704,059</u>
Less: expenses			
Depreciation expense	5	(26,903)	(29,406)
Employee benefits expense		(6,108,906)	(6,014,433)
Rental expense on property lease		(55,156)	(50,183)
Advertising expense		(4,316)	(3,143)
Rental expense on operating leases	5	(15,651)	(14,170)
Consulting fees		(34,259)	(31,082)
Other expenses		<u>(422,924)</u>	<u>(364,200)</u>
		<u>(6,668,115)</u>	<u>(6,506,617)</u>
Profit before income tax expense		433,000	197,442
Income tax expense		<u>-</u>	<u>-</u>
Profit for the year		<u>433,000</u>	<u>197,442</u>

The accompanying notes form part of these financial statements.

A.Q.A. VICTORIA LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	6	3,358,745	3,238,150
Receivables	7	548,925	433,707
Other assets	8	<u>78,985</u>	<u>5,406</u>
Total current assets		<u><u>3,986,655</u></u>	<u><u>3,677,263</u></u>
Non-current assets			
Plant and equipment	9	<u>66,712</u>	<u>74,220</u>
Total non-current assets		<u><u>66,712</u></u>	<u><u>74,220</u></u>
Total assets		<u><u>4,053,367</u></u>	<u><u>3,751,483</u></u>
Current liabilities			
Payables	10	383,532	546,178
Provisions	11	<u>1,524,913</u>	<u>1,439,927</u>
Total current liabilities		<u><u>1,908,445</u></u>	<u><u>1,986,105</u></u>
Non-current liabilities			
Provisions	11	<u>85,691</u>	<u>139,147</u>
Total non-current liabilities		<u><u>85,691</u></u>	<u><u>139,147</u></u>
Total liabilities		<u><u>1,994,136</u></u>	<u><u>2,125,252</u></u>
Net assets		<u><u>2,059,231</u></u>	<u><u>1,626,231</u></u>
Equity			
Retained earnings	12	<u>2,059,231</u>	<u>1,626,231</u>
Total equity		<u><u>2,059,231</u></u>	<u><u>1,626,231</u></u>

The accompanying notes form part of these financial statements.

A.Q.A. VICTORIA LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2008	1,428,789	1,428,789
Profit for the year	<u>197,442</u>	<u>197,442</u>
Total comprehensive income for the year	<u>197,442</u>	<u>197,442</u>
Balance as at 30 June 2009	<u>1,626,231</u>	<u>1,626,231</u>
Balance as at 1 July 2009	1,626,231	1,626,231
Profit for the year	<u>433,000</u>	<u>433,000</u>
Total comprehensive income for the year	<u>433,000</u>	<u>433,000</u>
Balance as at 30 June 2010	<u>2,059,231</u>	<u>2,059,231</u>

The accompanying notes form part of these financial statements.

A.Q.A. VICTORIA LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Cash flow from operating activities			
Receipts from customers		6,833,102	6,578,238
Payments to suppliers and employees		(6,845,907)	(5,964,278)
Interest received		<u>152,795</u>	<u>175,491</u>
Net cash provided by operating activities	13(b)	<u>139,990</u>	<u>789,451</u>
Cash flow from investing activities			
Proceeds from sale of plant and equipment		-	25,028
Payment for plant and equipment		<u>(19,395)</u>	<u>(41,327)</u>
Net cash provided by / (used in) investing activities		<u>(19,395)</u>	<u>(16,299)</u>
Reconciliation of cash			
Cash at beginning of the financial year		3,238,150	2,464,998
Net increase in cash held		<u>120,595</u>	<u>773,152</u>
Cash at end of financial year	13(a)	<u><u>3,358,745</u></u>	<u><u>3,238,150</u></u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity A.Q.A. Victoria Ltd as an individual entity. A.Q.A. Victoria Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalents to International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRSs).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to 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 grant income is recognised upon the receipt of the funds.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Grants and contributions

Grant revenue is recognised in the profit or loss 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.

A.Q.A. Victoria Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

(d) 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.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

(f) Plant and equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of 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 the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Plant and equipment (Continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Motor vehicles at cost	22.5%	Straight line
Office equipment at cost	20%	Straight line
Furniture, fixtures and fittings at cost	20%	Straight line
Computer equipment at cost	25-36%	Straight line

(g) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Recoupment of grants

A.Q.A. Victoria Ltd receives funding for the provision of services and support for specific clients. The service agreement related to this activity states that A.Q.A. Victoria Ltd can be required to return unspent and uncommitted funding. The company recognises a provision for these amounts adjusted to account for the probability that the funding body will require repayment. At each reporting date, the company assesses the probability of repayment based on historical data and a detailed analysis of individual client cases.

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(j) 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 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 statement of financial position are shown inclusive of GST.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards or interpretations.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A.Q.A. Victoria Ltd evaluate estimates and judgments incorporated into the financial statements 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 company.

(i) Provision for recoupment of grants

A.Q.A. Victoria Ltd makes a judgement in respect of the probability that funding bodies will require the repayment of unspent grants monies. Details are provided in Note 1(g).

A.Q.A. VICTORIA LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 4: REVENUE		
Government grants	6,852,780	6,442,100
Interest income	152,795	175,491
Other revenue		
Fundraising	4,131	6,710
Other revenue	91,409	73,767
	<u>7,101,115</u>	<u>6,698,068</u>
Other Income		
Profit on sale/revaluation of non current assets	-	5,991
Total revenue	<u>7,101,115</u>	<u>6,704,059</u>

NOTE 5: OPERATING PROFIT

Profit / (losses) from continuing operations has been determined after:

Expenses:		
Rental expense on operating leases	15,651	14,170
Depreciation	26,903	29,406
Remuneration of auditors for:		
Auditor's remuneration - audit fees	14,550	11,000
Other services	-	2,200
	<u>14,550</u>	<u>13,200</u>
Rental expense on property lease	55,156	50,183
Profit on sale of plant and equipment	-	5,991

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	500	500
Cash at bank	806,650	1,237,650
Cash on deposit	2,551,595	2,000,000
	<u>3,358,745</u>	<u>3,238,150</u>

NOTE 7: RECEIVABLES

CURRENT

Trade debtors	<u>548,925</u>	<u>433,707</u>
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A.Q.A. VICTORIA LTD
ABN 90 006 691 185

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	12,239	4,562
Accrued income	65,902	-
Other current assets	844	844
	<u>78,985</u>	<u>5,406</u>

NOTE 9: PLANT AND EQUIPMENT

Plant and equipment

Motor vehicles at cost	53,505	53,505
Accumulated depreciation	<u>(19,955)</u>	<u>(7,979)</u>
	33,550	45,526
Office equipment at cost	46,766	40,106
Accumulated depreciation	<u>(35,632)</u>	<u>(30,118)</u>
	11,134	9,988
Furniture, fixtures and fittings at cost	36,260	36,260
Accumulated depreciation	<u>(32,103)</u>	<u>(29,272)</u>
	4,157	6,988
Computer equipment at cost	84,939	72,204
Accumulated depreciation	<u>(67,068)</u>	<u>(60,486)</u>
	17,871	11,718
Total plant and equipment	<u>66,712</u>	<u>74,220</u>
Total plant and equipment	<u>66,712</u>	<u>74,220</u>

(a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year

Motor vehicles

Opening carrying amount	45,526	45,837
Additions	-	30,440
Disposals	-	(29,458)
Depreciation expense	<u>(11,976)</u>	<u>(1,293)</u>
Closing carrying amount	<u>33,550</u>	<u>45,526</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 9: PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Office equipment</i>		
Opening carrying amount	9,988	16,424
Additions	6,660	-
Depreciation expense	<u>(5,514)</u>	<u>(6,436)</u>
Closing carrying amount	<u>11,134</u>	<u>9,988</u>
 <i>Furniture, fixtures and fittings</i>		
Opening carrying amount	6,988	8,104
Additions	-	1,720
Depreciation expense	<u>(2,831)</u>	<u>(2,836)</u>
Closing carrying amount	<u>4,157</u>	<u>6,988</u>
 <i>Computer equipment</i>		
Opening carrying amount	11,718	10,968
Additions	12,735	9,167
Depreciation expense	<u>(6,582)</u>	<u>(8,417)</u>
Closing carrying amount	<u>17,871</u>	<u>11,718</u>
 NOTE 10: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	78,102	143,089
Sundry creditors and accruals	<u>305,430</u>	<u>403,089</u>
	<u>383,532</u>	<u>546,178</u>
 NOTE 11: PROVISIONS		
CURRENT		
Employee benefits	(a) 584,939	490,983
Recoupments of Government Grants	<u>939,974</u>	<u>948,944</u>
	<u>1,524,913</u>	<u>1,439,927</u>
 NON CURRENT		
Employee benefits	(a) <u>85,691</u>	<u>139,147</u>
(a) Aggregate employee benefits liability	670,630	630,130

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 11: PROVISIONS (CONTINUED)		
(b) Reconciliation		
Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year		
<i>Recoupment of Government Grants</i>		
Opening balance	948,944	584,857
Additional amounts recognised	252,816	460,476
Amounts used	(100,000)	(60,000)
Unused amounts reversed	<u>(161,786)</u>	<u>(36,389)</u>
Closing balance	<u>939,974</u>	<u>948,944</u>

NOTE 12: RETAINED EARNINGS

Retained earnings at beginning of year	1,626,231	1,428,789
Net profit	<u>433,000</u>	<u>197,442</u>
	<u>2,059,231</u>	<u>1,626,231</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 2010, the number of members was 155 (2009: 145).

NOTE 13: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	500	500
Cash at bank	806,650	1,237,650
At call deposits with financial institutions	<u>2,551,595</u>	<u>2,000,000</u>
	<u>3,358,745</u>	<u>3,238,150</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
NOTE 13: CASH FLOW INFORMATION (CONTINUED)		
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities	433,000	197,442
Adjustments and non-cash items		
Depreciation	26,903	29,406
Net (gain) / loss on disposal of plant and equipment	-	(5,991)
Changes in assets and liabilities		
(Increase) / decrease in receivables	(115,218)	(22,840)
(Increase) / decrease in other assets	(73,579)	(4,563)
Increase / (decrease) in payables	(162,646)	468,445
Increase / (decrease) in provisions	31,530	127,552
	<u>(293,010)</u>	<u>592,009</u>
Cash flows from operating activities	<u>139,990</u>	<u>789,451</u>

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

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

Payable		
- not later than one year	77,992	80,925
- later than one year and not later than five years	222,812	43,343
	<u>300,804</u>	<u>124,268</u>

General description of leasing arrangement

Commitments comprise office premises rental and the hire of printers and photocopiers.

NOTE 15: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk

The board of directors have overall responsibility for identifying and managing operational and financial risks.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2010

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	\$	\$	\$	
<i>Financial assets</i>				
Cash and cash equivalents	3,358,745	-	3,358,745	6.3 % Fixed
Debtors	-	548,925	548,925	0.0 %
	<u>3,358,745</u>	<u>548,925</u>	<u>3,907,670</u>	
<i>Financial liabilities</i>				
Creditors	-	78,102	78,102	0.0 %
Other payables	-	305,430	305,430	0.0 %
	<u>-</u>	<u>383,532</u>	<u>383,532</u>	

2009

<i>Financial assets</i>				
Cash and cash equivalents	3,238,150	-	3,238,150	4.0 % Fixed
Debtors	-	433,707	433,707	0.0 %
	<u>3,238,150</u>	<u>433,707</u>	<u>3,671,857</u>	
<i>Financial liabilities</i>				
Creditors	-	143,089	143,089	0.0 %
Other payables	-	403,089	403,089	0.0 %
	<u>-</u>	<u>546,178</u>	<u>546,178</u>	

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company. The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with 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 payments.

	2010	2009
	\$	\$
NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the company		
- short-term employee benefits	409,973	412,152
- other long-term benefits	<u>36,240</u>	<u>64,508</u>
	<u>446,213</u>	<u>476,660</u>

The names of key management personnel during the year are:

Name	Position
Peter Trethewey	Chief Executive Officer
Nazim Erdem	Team Leader -Information / Peer Support
Carolyn Gallagher	Team Leader - A.Q.A. Qualcare
Gaelyn Taylor	Human Resources Coordinator
Fiona Goligranc	Accounts Supervisor
Robyn Canning	Executive Assistant

NOTE 17: COMPANY DETAILS

The registered office of the company is:


A.Q.A. Victoria Ltd
440 Heidelberg Road
Fairfield VIC 3078


DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 - 24, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) as stated in Note 1, the financial statements also comply with *International Financial Reporting Standards*; and
 - (c) give a true and fair view of the financial position as at 30 June 2010 and performance for the year ended on that date of the company.
2. In the directors' opinion 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 Board of Directors.

Director: 
Kerry Durrand

Director: 
Nick Walker

Dated this 27th day of September 2010



A.Q.A. VICTORIA LTD
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF A.Q.A. VICTORIA LTD

We have audited the accompanying financial report of A.Q.A. Victoria Ltd, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 in 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.

Independence

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



A.Q.A. VICTORIA LTD

ABN 90 006 691 185

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF A.Q.A. VICTORIA LTD**

Auditor's opinion

In our opinion:

1. the financial report of A.Q.A. 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 2010 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
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.


T J BENFOLD

Partner


PITCHER PARTNERS

Melbourne

Date *28 September 2010*