

A.Q.A. Victoria Limited

ABN 90 006 691 185

Annual Report

For the year ended 30 June 2021

A.Q.A. Victoria Limited
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General information

The financial statements cover A.Q.A. Victoria Limited as an individual entity. The financial statements are presented in Australian dollars, which is A.Q.A. Victoria Limited's functional and presentation currency.

A.Q.A. Victoria Limited is a not-for-profit entity, limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 October 2021. The directors have the power to amend and reissue the financial statements.

**A.Q.A. Victoria Limited
Directors' report
30 June 2021**

The directors present their report, together with the financial statements, on A.Q.A. Victoria Limited for the year ended 30 June 2021.

Directors

The following persons were directors of A.Q.A. Victoria Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michelle O'Sullivan
David Schreuder
David Jacka
Alexia Myrtle (resigned on 7/12/2020)
Kylie Thitchener
Joe Rose'Meyer
Alasdair McMillan
Brydie Quinn (appointed on 15/03/2021)

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 number 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 surplus for the Company for the year amounted to \$967,195 (30 June 2020: \$1,328,808).

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.

Short-term and Long-term Objectives and Strategies

For more than 34 years the company has resourced people whose worlds have been disrupted by injury, illness and other events to find their way to participate in all aspects of life and contribute.

What drives the company is a vision of an inclusive community where people have access to the resources they need to meet the challenges of change and live fully.

The focus on resourcing people to live well informs everything it does. The services and programs informed by this focus are then available to support all people who experience challenges and change in their lives.

The company's objectives are to:

- Provide support and services to people who sustain SCI and similar physical disabilities;
- Motivate and assist those with SCI during their initial rehabilitation, their subsequent re-integration to the community and through the issues of life after SCI;
- Facilitate a sense of community among people with SCI by networking, sharing information and experiences in order to leverage the value of that lived experience to assist others; and
- Raise awareness and educate the community about living with SCI.

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- The provision of
 - Assistance with daily living support services delivered to clients living with physical disabilities, including SCI, in their home, workplace and community;
 - Support Coordination services to assist clients achieve their goals;
 - Allied Health Services
 - Peer-facilitated services and resources for people living with SCI and those who support them;
- Personal Capacity Building training and support to develop skills to achieve greater independence, confidence and control in life;
- The provision of peer-resourced information and community connection services to assist people access services and products;
- Community development activities to connect individuals, organisations and communities to better understand and respond to life with SCI.

Strategic Priorities

Create Experiences that Empower our clients

- We deliver a range of services informed by insights from the lived experience of our community that support clients' needs over time.
- We have expanded our reach and have diversified our services.
- Our voice is heard in public discourse, advocating for our clients and community in matters that affect them.

Empower our People to be more effective

- Our people are qualified, prepared and supported for the work they do.
- Our work environment is safe and respectful.
- We are personally responsible and mutually accountable for our actions.

Build our sustainability

- Our financial and business processes are efficient and responsive.
- We have partnerships that resource our strategy.
- Our governance and management systems are aligned with our purpose and strategy.

Key performance indicators

To help evaluate whether the company achieved its short-term and long-term objectives, the company measures, monitors and analyses performance by activity, efficiency and outcomes, including:

- **Home & Community Services; Support Coordination; Allied Health:** Delivered hours of support; Service reliability and Customer satisfaction; Identification and analysis of key cost drivers;
- **Peer Mentoring and Coaching:** Peer contacts; Completion of planned events and activities.
- **Community Engagement & Information:** Production, distribution and evaluation of peer-resourced information, online engagement;
- **Personal Capacity Building:** Delivered hours of support; Service reliability and Customer satisfaction;
- **Community Development:** Facilitation and evaluation of peer support networks; Completion and evaluation of planned events; Customer satisfaction feedback;
- **Workforce Engagement:** Recruitment; Retention; Employee opinion and satisfaction.

A detailed report as to the company's progress against each of these priority areas is contained in the 2021 Annual Report.

After Balance Sheet Date Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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.

Information on Directors

Michelle O'Sullivan *Social Work – BSW; Grd Dip Rehab Counselling – Grad Dip Rehab; Master App Science Innovation and Services Management – Mast App.Sc, ISM.*

Joined the board in April 2013

Michelle has worked in Government, NFP and community health and has an interest in the role community has to play in terms of health management and engagement. Michelle also has a sound background in industrial relations from both the management and union perspectives. Michelle is experienced in not-for-profit governance, organisational development, employee management and State Government compliance. Michelle is currently Director of Organisational Transformation at MIND Australia. Michelle is Chairperson and the Convenor of AQA's Governance Committee.

David Schreuder *B.Sc/LLB (Victorian Legal Practising Certificate 2020)*

Joined the board in March 2014

David has extensive legal, regulatory and compliance experience across the private, public and not-for-profit sectors both in Australia and the United Kingdom. David is currently the Director of the Housing Registrar and is responsible for the regulation of community housing providers in Victoria. David is Company Secretary and a Member of AQA's Quality & Risk Committee.

David Jacka *OAM*

Joined the board in May 2017

David is experienced working in consultancy and government sectors across engineering, project management and governance disciplines and is currently an SCI Peer Support volunteer, motivational speaker and adventurer. Living with SCI since 1988, David has competed at the Paralympics in wheelchair rugby, flown solo around Australia and paddled the 2,226 km length of the Murray River in a kayak. David was awarded an Order of Australia Medal for his contribution to people with a disability through sport.

David is passionate about challenging community perceptions of what a person with a disability can achieve by doing things differently, through the design of innovative engineering solutions or engaging the support of people within the community to help achieve his adventures. David is a Member of AQA's Quality & Risk Committee.

Alexia Archbold *B.Nut.Diet (Monash), MBA (MBS)*

Joined the board in September 2017

Resigned on 7/12/2020

Alexia is a Policy Advisor at a large Victorian public hospital and research organization. Alexia is experienced in working in the health, education and finance industries. Prior her current role, Alexia worked in health care for eight years in Australia and the UK. Alexia is a member of AQA's Strategy Committee.

Kylie Thitchener *BN, MHSM (Mon), MAICD*

Joined the board in July 2019

Kylie is the Director of Quality and Patient Safety at the Peter MacCallum Cancer Centre. She works with Peter MacCallum stakeholders to implement strategies to reduce the frequency of preventable adverse events. Kylie has been appointed to The East Wimmera Health Service as a Board Director. Kylie is a health care professional who specialised in clinical governance and enterprise risk management in the acute health sector. With extensive experience in both the clinical and non-clinical environments including project management, quality improvement, leadership and management of teams.

Kylie strives to utilise teams to improve service delivery aimed at providing better health outcomes and experiences for patients. Kylie began as an emergency nurse before focusing on risk management. She holds a Masters in Health Services Management and has worked in hospitals in Australia and the United States. Kylie is Convenor of AQA's Quality & Risk Committee.

Joe Rose'Meyer *MBM / DipMA*

Joined the Board in July 2019

Joe has a background in Sales, Marketing, Value Based Commercialisation and Strategy Development and Implementation. He has worked for large FMCG Retailers and Manufacturers including Coles Myer, SPC Ardmona & Coca Cola Amatil. He has been President of SMART Networking Group and is currently National Sales Manager with a food manufacturer. Joe holds a Masters of Business Management and a Diploma of Business Marketing. Joe is Convenor of AQA's Strategy Committee.

A.Q.A. Victoria Limited
Directors' report
30 June 2021

Information on Directors (continued)

Alasdair McMillan MBA (Exec)

Joined in the Board in December 2019.

A large enterprise commercial leader and strategist with experience working across diverse industries including FMCG, Pharmaceutical, Marketing Data, IT, Venture Capital, Professional Consulting and SME.

Commercial whole of business awareness and an ability to provide strategic solutions. A recognized expert in marketing and pricing strategies that gives a win/win outcome for consumers, retailers and producers alike. Extensive experience as member of key management team in whole of enterprise strategy development and implementation.

Alasdair is Treasurer and Convenor of AQA's Finance & Audit Committee.

Brydie Quinn

Joined the board in 15/03/2021

Brydie is passionate about providing opportunities to people living with disabilities. And has a particular interest in engaging front line workers through increased education, supervision supports and the application of frameworks in practice.

She is the National Head of Quality and Innovation at Able Australia, leading a team pursuing innovative approaches to supporting people's needs, and ensuring NDIS Quality and Safeguards requirements are met and exceeded.

Brydie has over a decade of experience as a Director in Victoria's public hospitals tackling issue of patient flow and access, quality and risk management and transition supports. Prior to this, she held strategic advisory and project roles with the Victorian Department of Health and The Commonwealth Department of Health. She holds a Masters of Public Policy and Management.

Brydie is a Member of the Strategy Committee.

Meetings of Directors

Directors	Directors' meetings		Audit and Finance Committee meetings		Risk and Compliance Committee meetings		Development and Fundraising Committee meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Michelle O'Sullivan	7	7	-	-	-	-	-	-
David Schreuder	6	7	-	-	4	4	-	-
David Jacka	7	7	-	-	4	4	-	-
Alexia Myrtle	3	3	-	-	-	-	-	-
Kylie Thitchener	7	7	-	-	4	4	-	-
Joe Rose'Meyer	5	7	-	-	-	-	4	4
Alasdair McMillan	6	7	5	5	-	-	-	-
Brydie Quinn	2	2	-	-	-	-	4	4

Members' Guarantee

The Company is incorporated under the Australian Charities and Not-for-profits Commission (ACNC) 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 and obligations of the group.

At 30 June 2021, the number of members was 45. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$4,500.

Indemnity of officers

The Company is classified as a State Government of Victoria funded Community Service Organisation. Due to this classification, A.Q.A Victoria Ltd is covered for Directors' and Officers' Liability and incorporating Entity Liability.

This coverage indemnifies Directors, Officers, and the Funded Organisation against loss arising out of any claim, by reason of any wrongful act committed, whilst acting in that capacity during the period of coverage.

A.Q.A. Victoria Limited
Directors' report
30 June 2021

Indemnity of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Signed on behalf of the board of directors



Michelle O'Sullivan
Director



Alasdair McMillan
Director

25 October 2021
Melbourne, Victoria

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of A.Q.A. Victoria Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Dated: 25 October 2021

Melbourne, Victoria

A.Q.A. Victoria Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Revenue	3	17,437,557	16,363,387
Employee benefits expense		(14,983,993)	(14,083,152)
Consulting fees		(183,571)	(152,798)
Depreciation expense	4	(222,070)	(210,864)
Rental expense		(35,166)	(36,876)
Advertising expense		(9,761)	(10,319)
Other expenses	4	(951,581)	(453,391)
Interest expense		<u>(84,220)</u>	<u>(87,179)</u>
Surplus for the year		967,195	1,328,808
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of land and buildings		<u>259,995</u>	<u>-</u>
Total comprehensive income for the year		<u>1,227,190</u>	<u>1,328,808</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

A.Q.A. Victoria Limited
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	4,607,067	3,453,898
Financial assets	6	3,176,790	3,137,349
Trade and other receivables	7	1,199,640	1,224,620
Other assets		50,712	-
Total current assets		<u>9,034,209</u>	<u>7,815,867</u>
Non-current assets			
Property, plant and equipment	8	3,389,830	3,236,450
Intangibles	9	199,630	144,669
Right-of-use assets	10	1,241,832	1,345,992
Rental bond		47,681	47,677
Total non-current assets		<u>4,878,973</u>	<u>4,774,788</u>
Total assets		<u>13,913,182</u>	<u>12,590,655</u>
Liabilities			
Current liabilities			
Trade and other payables	11	738,758	685,737
Contract liabilities	12	490,227	524,135
Lease liabilities	13	66,187	61,211
Employee benefits	14	2,126,108	2,026,558
Total current liabilities		<u>3,421,280</u>	<u>3,297,641</u>
Non-current liabilities			
Lease liabilities	13	1,351,111	1,405,767
Employee benefits	14	57,643	31,289
Total non-current liabilities		<u>1,408,754</u>	<u>1,437,056</u>
Total liabilities		<u>4,830,034</u>	<u>4,734,697</u>
Net assets		<u>9,083,148</u>	<u>7,855,958</u>
Equity			
Reserves	15	2,104,743	1,763,173
Retained earnings		6,978,405	6,092,785
Total equity		<u>9,083,148</u>	<u>7,855,958</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

A.Q.A. Victoria Limited
Statement of changes in equity
For the year ended 30 June 2021

	Reserves	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2019	1,363,173	5,163,977	6,527,150
Surplus for the year	-	1,328,808	1,328,808
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>1,328,808</u>	<u>1,328,808</u>
Transfer from retained earnings to reserve	<u>400,000</u>	<u>(400,000)</u>	<u>-</u>
Balance at 30 June 2020	<u><u>1,763,173</u></u>	<u><u>6,092,785</u></u>	<u><u>7,855,958</u></u>
Balance at 1 July 2020	1,763,173	6,092,785	7,855,958
Surplus for the year	-	967,195	967,195
Other comprehensive income for the year	259,995	-	259,995
Total comprehensive income for the year	<u>259,995</u>	<u>967,195</u>	<u>1,227,190</u>
Transfer from reserve to retained earnings	<u>81,575</u>	<u>(81,575)</u>	<u>-</u>
Balance at 30 June 2021	<u><u>2,104,743</u></u>	<u><u>6,978,405</u></u>	<u><u>9,083,148</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

A.Q.A. Victoria Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		17,517,173	16,372,499
Payments to suppliers and employees		(16,175,290)	(14,620,007)
		<u>1,341,883</u>	<u>1,752,492</u>
Donations and fundraising received		10,998	6,165
Interest paid		(84,220)	(87,179)
Interest received		<u>39,885</u>	<u>73,201</u>
Net cash provided by operating activities		<u>1,308,546</u>	<u>1,744,679</u>
Cash flows from investing activities			
Payment for term deposits		(3,176,790)	(3,137,349)
Payments for property, plant and equipment		(66,256)	(290,331)
Proceeds from maturity of term deposits		3,137,349	3,064,899
Proceeds from sale of property, plant and equipment		<u>-</u>	<u>29,097</u>
Net cash (used in) investing activities		<u>(105,697)</u>	<u>(333,684)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(49,680)</u>	<u>(46,722)</u>
Net cash (used in) financing activities		<u>(49,680)</u>	<u>(46,722)</u>
Net increase/(decrease) in cash and cash equivalents		1,153,169	1,364,273
Cash and cash equivalents at the beginning of the financial year		<u>3,453,898</u>	<u>2,089,625</u>
Cash and cash equivalents at the end of the financial year	5	<u>4,607,067</u>	<u>3,453,898</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

A.Q.A. Victoria Limited
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and the associated regulations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

Note 1. Significant accounting policies (continued)

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose 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 company's normal operating cycle; it is held primarily for the purpose 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 of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, Plant and equipment

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

Property

Freehold land and buildings are measured at revalued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value. The carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date.

Any revaluation surplus arising on revaluation is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases, or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Plant and equipment

Plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company. Subsequent to initial recognition, plant and equipment are measured at cost less depreciation and impairment losses.

Depreciation

The depreciable amount of property, plant and equipment (except Motor Vehicle) is depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use. Motor Vehicle is depreciated on diminishing value basis over their estimated useful lives. Land is not being depreciated.

The depreciation rates used for each class of assets follow:

<u>Class of fixed asset</u>	<u>Depreciation Rate</u>
Buildings at valuation	2.50%
Motor vehicles at cost	22.5 - 25%
Office equipment at cost	20 - 36%
Furniture, fixtures and fittings at cost	5 - 20%
Leasehold improvements	6.93% *

* Subject to the terms of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 1. Significant accounting policies (continued)

Property, Plant and equipment (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions are made by the Company to various nominated superannuation funds and are charged as an expense when incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rates

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Revaluation of land and building

The Company carries its freehold land and building at revalued amount, with changes in fair value being recognised in other comprehensive income. These properties were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The key assumptions used to determine the fair value of the properties are provided in Note 8.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

A.Q.A. Victoria Limited
Notes to the financial statements
30 June 2021

Note 3. Revenue

	2021	2020
	\$	\$
<i>Revenue from contracts with customers</i>		
Government related services	17,210,758	15,597,540
Brokerage	-	483,602
	<u>17,210,758</u>	<u>16,081,142</u>
<i>Other revenue</i>		
Fundraising	-	67,661
Donations	10,998	6,165
Gain on sale of plant and equipment	-	5,200
Interest income	26,553	58,588
Other revenue	189,248	144,631
	<u>226,799</u>	<u>282,245</u>
Revenue	<u><u>17,437,557</u></u>	<u><u>16,363,387</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2021	2020
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	17,067,423	16,081,142
Services transferred over time	143,335	-
	<u>17,210,758</u>	<u>16,081,142</u>

Note 4. Expenses

	2021	2020
	\$	\$
Surplus includes the following specific expenses:		
<i>Other expenses</i>		
Supplies and other consumerables	157,185	3,501
Outsourced services	-	10,440
Licence fees	100,829	32,018
Electricity and utilities	104,256	89,436
Consulting	60,655	42,955
Other	261,267	275,041
	<u>684,192</u>	<u>453,391</u>
<i>Depreciation</i>		
Property, plant and equipment	117,910	106,710
Right-of-use assets	104,160	104,154
	<u>222,070</u>	<u>210,864</u>

Note 5. Current assets - cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	88	91
Cash at bank	4,606,979	3,453,807
	<u>4,607,067</u>	<u>3,453,898</u>

A.Q.A. Victoria Limited
Notes to the financial statements
30 June 2021

Note 6. Current assets - financial assets

	2021	2020
	\$	\$
Term deposits	3,176,790	3,137,349

Note 7. Current assets - trade and other receivables

	2021	2020
	\$	\$
Trade receivables	1,036,600	490,033
Accrued revenue	153,968	712,183
Accrued interest receivable	9,072	22,404
	<u>1,199,640</u>	<u>1,224,620</u>

Note 8. Non-current assets - property, plant and equipment

	2021	2020
	\$	\$
Land - at valuation	<u>2,200,000</u>	<u>2,000,000</u>
Buildings - at valuation	400,000	400,000
Less: Accumulated depreciation	-	(49,995)
	<u>400,000</u>	<u>350,005</u>
Motor vehicles - at cost	50,550	50,550
Less: Accumulated depreciation	(11,422)	(176)
	<u>39,128</u>	<u>50,374</u>
Office equipment - at cost	155,671	119,526
Less: Accumulated depreciation	(81,365)	(22,130)
	<u>74,306</u>	<u>97,396</u>
Furniture, fixtures and fittings - at cost	234,349	234,349
Less: Accumulated depreciation	(51,584)	(30,323)
	<u>182,765</u>	<u>204,026</u>
Leasehold Improvement	592,320	592,320
Less: Accumulated depreciation	(98,689)	(57,671)
	<u>493,631</u>	<u>534,649</u>
	<u>3,389,830</u>	<u>3,236,450</u>

A.Q.A. Victoria Limited
Notes to the financial statements
30 June 2021

Note 8. Non-current assets - property, plant and equipment (continued)

Reconciliations

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

	Land \$	Buildings \$	Motor Vehicles \$	Office Equipment \$	Furniture, fixtures and fittings \$	Leasehold Improvement \$	Total \$
Balance at 1 July 2019	2,000,000	360,000	29,483	59,443	225,415	547,054	3,221,395
Additions	-	-	50,965	66,647	347	27,918	145,877
Disposals	-	-	(23,612)	-	(500)	-	(24,112)
Depreciation expense	-	(9,995)	(6,462)	(28,694)	(21,236)	(40,324)	(106,711)
Balance at 30 June 2020	<u>2,000,000</u>	<u>350,005</u>	<u>50,374</u>	<u>97,396</u>	<u>204,026</u>	<u>534,648</u>	<u>3,236,450</u>
Balance at 1 July 2020	2,000,000	350,005	50,374	97,396	204,026	534,648	3,236,450
Additions	-	-	-	11,295	-	-	11,295
Revaluation	200,000	59,995	-	-	-	-	259,995
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(10,000)	(11,246)	(34,386)	(21,261)	(41,017)	(117,910)
Balance at 30 June 2021	<u>2,200,000</u>	<u>400,000</u>	<u>39,128</u>	<u>74,306</u>	<u>182,765</u>	<u>493,631</u>	<u>3,389,830</u>

Fair Value Measurement

The basis of the valuation of land and buildings is fair value. Fair value of the Company's land and building is estimated based on appraisals performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Directors at each reporting date.

The appraisal was carried out using the Direct Comparison and Investment approaches that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property in question, including plot size, location, encumbrances and current use.

A full revaluation of the land and buildings was performed by Brindley Consulting on 28 July 2021 in accordance with the requirements of AASB13 *Fair Value Measurement*. The effective date of the valuation for buildings was 30 June 2021.

Note 9. Non-current assets - intangibles

	2021 \$	2020 \$
Software - work in progress	<u>199,630</u>	<u>144,669</u>

Note 10. Non-current assets - right-of-use assets

	2021 \$	2020 \$
Right of use asset	1,554,304	1,554,304
Less: Accumulated depreciation	<u>(312,472)</u>	<u>(208,312)</u>
	<u>1,241,832</u>	<u>1,345,992</u>

Note 11. Current liabilities - trade and other payables

	2021 \$	2020 \$
Trade creditors	47,716	34,471
Sundry creditors and accruals	<u>691,042</u>	<u>651,266</u>
	<u>738,758</u>	<u>685,737</u>

Note 12. Current liabilities - contract liabilities

	2021 \$	2020 \$
Contract liabilities - government grants	<u>490,227</u>	<u>524,135</u>

Note 13. Lease liabilities

	2021 \$	2020 \$
<i>Current</i> Lease liability	<u>66,187</u>	<u>61,211</u>
<i>Non-current</i> Lease liability	<u>1,351,111</u>	<u>1,405,767</u>
	<u>1,417,298</u>	<u>1,466,978</u>

Note 14. Employee benefits

	2021 \$	2020 \$
<i>Current</i> Annual leave	1,009,326	887,859
Long service leave	<u>1,116,782</u>	<u>1,138,699</u>
	<u>2,126,108</u>	<u>2,026,558</u>
<i>Non-current</i> Long service leave	<u>57,643</u>	<u>31,289</u>
	<u>2,183,751</u>	<u>2,057,847</u>

A.Q.A. Victoria Limited
Notes to the financial statements
30 June 2021

Note 15. Equity - reserves

	2021	2020
	\$	\$
Asset revaluation reserve	1,623,168	1,363,173
Specific development funds	481,575	400,000
	<u>2,104,743</u>	<u>1,763,173</u>

Asset revaluation reserve records the revaluation of land and buildings.

A Specific Development Fund reserve was established that sets aside a proportion of the operating surplus to fund future activities that serve to accelerate the growth and development of new services and capabilities of value to our clients and communities.

Note 16. Capital commitments

Capital commitments

	2021	2020
	\$	\$
Within one year	-	235,489
Later than one year but not later than five years	-	-
	<u>-</u>	<u>235,489</u>

The capital commitments for the year ended 30 June 2020 relates to a contract entered into for the 'Discovery Phase' of software implementation.

There were no capital commitments as at 30 June 2021.

Note 17. Key management personnel disclosures

Compensation

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

	2021	2020
	\$	\$
Aggregate compensation	<u>798,884</u>	<u>776,904</u>

The name and position of key management personnel during the year are:

Name	Position
Corea H	Spire Development Coordinator
Evans K	Executive Manager, People & Culture
Gologranc F	Executive Manager, Finance
Kelkar T	Program Manager, Business Transformation
Lillywhite A	Executive Manager, Services & Service Experience
Trethewey P	Chief Executive Officer

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

There were no transactions with related parties during the current financial year (2020: \$nil).

Receivable from and payable to related parties

There were no receivables from or payable to related parties at the current and previous financial year.

Loans to/from related parties

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

Note 19. Contingent liabilities and contingent assets

The directors are not aware of any contingent liabilities or contingent assets which require disclosure in the financial report.

Note 20. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

A.Q.A. Victoria Limited
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- 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 pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Michelle O'Sullivan
Director



Alasdair McMillan
Director

25 October 2021
Melbourne, Victoria

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INDEPENDENT AUDITOR'S REPORT To the Members of A.Q.A. Victoria Limited

Opinion

We have audited the financial report of A.Q.A. Victoria Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other 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 directors' declaration.

In our opinion, the financial report of A.Q.A. Victoria Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance and cash flows for the year ended on that date; and
- (b) 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the A.Q.A. Victoria Limited 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in A.Q.A. Victoria Limited's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors 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 directors are responsible for assessing A.Q.A. Victoria Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate A.Q.A. Victoria Limited or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Dated: 26 October 2021
Melbourne, Victoria