



## **A.Q.A. Victoria Ltd**

**ABN 90 006 691 185**

Financial report  
For the year ended 30 June 2015



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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 2015 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

**Directors names**

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

Steve Mollison

Shane Brand - appointed 21 July 2014

Colin Daws

Penny Callaghan

Amy Cato

Michelle O'Sullivan

David Schreuder

Greg Schinck

Joshua Fisher - appointed 7 July 2015

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 \$211,229 (2014: \$217,737).

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.

### Short-term and long-term objectives and strategies

The company's short and long-term objectives are to:

- Provide support and services to people who sustain spinal cord injuries (quadriplegia and paraplegia) and similar physical disabilities;
- Raise awareness and educate the community about the issues of life with spinal cord injury;
- Motivate and assist those with SCI during their initial rehabilitation and subsequent re-integration in the community after SCI;
- Facilitate those living with SCI in the community to network and share information in order to leverage the value of their lived experience to resource each other.

To achieve its short-term and long-term objectives, the company has adopted the following strategies:

- The provision of a well-established attendant care service (A.Q.A Qualcare) for clients living with physical disabilities including spinal cord injury; and
- To develop peer-facilitated supports and resources for people living with SCI and those who support them.

### Principal activities

To carry out the company's strategies and to achieve its short-term and long-term objectives, the company engaged in the following principal activities during the year.

- Support persons with spinal cord injury and similar physical disabilities.

**DIRECTORS' REPORT**

**Key performance indicators**

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses the following key performance indicators to measure, analyse and monitor its performance:

A.Q.A Victoria Ltd sets strategic priorities and key objectives then measures and monitors the extent to which strategic progress is made, service activity is delivered, and efficiencies are achieved or maintained.

| Priorities        | Community   | Services  | Leadership  | Sustainability   |
|-------------------|---|---|---|--|
| <b>Objectives</b> | Connect individuals, organisations and communities to respond to the issues that impact on people with SCI. | Develop & deliver flexible and individualised services in partnership with the service user.    | Deliver training that builds the capacity of generalist providers in key sectors to understand and respond to the needs of people with SCI. | Diversify revenue base through fundraising, grant partnerships and business development.       |
|                   | Increase positive awareness of spinal cord injury through education and training.                           | Services will be grounded in best practice evidence and represent innovative models of support. | Establish a network of likeminded individuals and organisations to influence policy and research in the interests of people with SCI.       | Maximise our effectiveness and accountability through excellence in management and governance. |
|                   | Connect people with experience of SCI to share life experience, knowledge and develop networks.             | Service excellence will be central to the way we design, deliver and measure our services.      | Apply AQA's expertise in living with a SCI to the development of services, policy and funding models.                                       |  |

**DIRECTORS' REPORT**

**Key performance indicators (Continued)**

Performance is measured, monitored and analysed by activity and efficiency:

**Attendant care:**

Delivered hours of support;

Identification and analysis of key cost drivers – including workforce, service coordination, service delivery.

**Peer Facilitated supports:**

Peer Mentoring;

Peer contacts;

Completion and evaluation of planned engagement activities and events.

Information sharing;

Production, distribution and evaluation of peer-resourced information - through print and online media;

Facilitation and evaluation of peer support networks.

Community Engagement:

Completion and evaluation of planned events.

A detailed report as to the company's progress against each of these priority areas is contained in the 2015 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**

**Steve Mollison**

BBus (Marketing), MBA

Joined the board in 2009. Steve's career spans roles in marketing, funds administration and web development and currently holds a position as a Global Development Manager for a global organisation within the corporate sector. Interests in strategy and development, particularly in the online space, management expertise, technical talent and real world experience as a person living and working with SCI.

**Shane Brand**

Joined the Board in July 2014.

Shane's career spans roles in software testing, disability consultant to one of the big 4 banks and now Managed Environments and Testing Services. Interests include cloud computing, wheelchair rugby and real world experience as a person living and working with SCI. Shane is a member of AQA's Development and Funding Committee having sat on that committee for six months prior to joining the Board.

**Colin Daws**

B.Bus (Acc), FCPA, GIA (Cert)

Joined the board in July 2012. Colin is COO/Company Secretary of a major research centre. He brings over 20 years business management experience and is an FCPA. Colin has extensive management experience within service based industries including communications, marketing, accounting and investment banking.

**Penny Callaghan**

Company Secretary

B.App.Sc (Phys.), Grad.Cert.Bus.Mgt

Joined the board in July 2012. Penny has over 10 years of clinical experience in neurological physiotherapy, both in Australia and overseas. Penny's passion for this area of physiotherapy saw her open her own practice in 2009, Steps Neurological Physiotherapy, which specialises in physiotherapy and exercise therapy for people with spinal cord injury and acquired brain injury. Penny enjoys the challenge of clinical work as well as running and managing a small business.

**Amy Cato**

Joined the board in April 2013. Amy has over ten years experience in Human Resources and Recruitment industries across Management and Company Director roles. She is the Public Officer and Secretary for a leading Women's NFP, Chair of the Corporate Social Responsibility Committee for a recruitment firm, as well as volunteering her time with numerous Melbourne and International not-for-profits. Amy currently works as a National Account Manager for IPA Personnel.

**DIRECTORS' REPORT**

**Information on directors (Continued)**

|                            |   |
|----------------------------|---|
| <b>Michelle O'Sullivan</b> | <p>Social Work – BSW; Grad Dip Rehab Counselling – Grad Dip Rehab; Master App Science Innovation and Services Management – Mast App.Sc, ISM.</p> <p>Joined the board in April 2013. Michelle has extensive Government experience with roles in HR and Corporate Services. She has held a number of roles within the TAC in Victoria over her career ranging from claims management to project management and then diversifying into organisational development. She played an instrumental role in their relocation to Geelong. Michelle has worked in 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 has previously sat on the Board of Impact Support Services and is experienced in not-for-profit governance, employee management and State Government compliance. Currently Michelle is Principal Organisational Development Consultant at CFA.</p> |
| <b>David Schreuder</b>     | <p>BSc, LLB</p> <p>Joined the board in March 2014. David has ten years legal and compliance experience across the private and public sectors both in Australia and overseas. David is currently a senior solicitor for the Department of Treasury and Finance and has extensive government and commercial experience. David is a member of AQA's Risk and Compliance Committee and sat on the committee for six months prior to joining the Board.</p>  |
| <b>Greg Schinck</b>        | <p>B.Ec (Monash), MBA (AGSM)</p> <p>Joined the board in March 2014. Greg has a background in Investment Banking, Economics and Business and is currently the Chief Procurement Officer at Cenitex. He has served as Chair on the Ombudsman Victoria Audit &amp; Risk Committee and joined the AQA Audit and Finance Committee in 2012, providing advice and guidance on finance reporting and audit programs. Greg also contributes to the Onemda Association where he is a Board Director. Onemda is an organisation that provides support options to adults with an Intellectual Disability.</p>  |
| <b>Joshua Fisher</b>       | <p>BA/LLB (Monash), BA(Hons) (Melb), GradDipLegalPrac</p> <p>Joined the board in July 2015. Josh is a lawyer specialising in corporate governance, takeovers, capital raising and financial services. During the last 10 years, he has had extensive experience volunteering with not-for-profit organisations and community legal centres. He also sits on AQA's Risk and Compliance Committee.</p>  |



**DIRECTORS' REPORT**

**Meetings of directors**

| Directors           | Directors' meetings       |                 | Audit & Finance Committee meetings |                 | Risk & Compliance Committee meetings |                 | Development & Fundraising 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 |
| Steve Mollison      | 6                         | 3               | -                                  | -               | 4                                    | -               | 1  | -               |
| Shane Brand         | 6                         | 3               | -                                  | -               | -                                    | -               | 5  | 1               |
| Colin Daws          | 6                         | 6               | 5                                  | 4               | -                                    | -               | -  | -               |
| Penny Callaghan     | 6                         | 5               | -                                  | -               | -                                    | -               | 5  | 5               |
| Amy Cato            | 6                         | 3               | -                                  | -               | 5                                    | 3               | -  | -               |
| Michelle O'Sullivan | 6                         | 6               | -                                  | -               | -                                    | -               | -  | -               |
| David Schreuder     | 6                         | 5               | -                                  | -               | 5                                    | 5               | -  | -               |
| Greg Schinck        | 6                         | 5               | 5                                  | 5               | -                                    | -               | -  | -               |
| Joshua Fisher       | -                         | -               | 1                                  | 1               | 5                                    | 5               | -  | -               |
| Kistin Gunnis       | -                         | -               | 5                                  | 5               | -                                    | -               | -  | -               |

**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 outstandings and obligations of the group. At 30 June 2015 the number of members was 140. The combined total amount that members of the company are liable to contribute if the company is wound up is \$14,000.

**Indemnification 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 are 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.

**DIRECTORS' REPORT**

**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 independence declaration under division 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit for the financial year is provided with this 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 on behalf of the board of directors.

Director:   
\_\_\_\_\_  
Colin Daws

Director:   
\_\_\_\_\_  
Greg Schinck

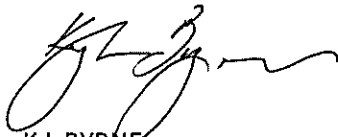
Dated this *5<sup>th</sup>* day of *OCTOBER* 2015

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

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

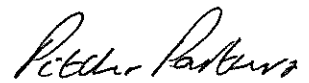
In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) No contraventions of any applicable code of professional conduct.



K L BYRNE

Partner



PITCHER PARTNERS

Melbourne

Date: *5 October* 2015

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

|   | Note | 2015<br>\$          | 2014<br>\$         |
|---|------|---------------------|--------------------|
| <b>Revenue and other income</b>                                       |      |                     |                    |
| Service revenue   | 2    | 10,441,499          | 9,861,245          |
| Other revenue   | 2    | 183,875             | 223,730            |
| Profit on sale of non current assets                                  | 2    | <u>-</u>            | <u>2,717</u>       |
|   | 2    | <u>10,625,374</u>   | <u>10,087,692</u>  |
| <b>Less: expenses</b>   |      |                     |                    |
| Depreciation expense  | 3    | (38,116)            | (36,834)           |
| Employee benefits expense   | 3    | (9,636,825)         | (8,978,723)        |
| Rental expense on operating leases                                    | 3    | (20,609)            | (50,679)           |
| Advertising expense   |      | (7,104)             | (5,474)            |
| Consulting fees   |      | (60,436)            | (70,985)           |
| Interest expense  | 3    | -                   | (20,518)           |
| Other expenses  |      | <u>(651,055)</u>    | <u>(706,742)</u>   |
|   |      | <u>(10,414,145)</u> | <u>(9,869,955)</u> |
| <b>Surplus</b>  |      | <u>211,229</u>      | <u>217,737</u>     |
| <b>Other comprehensive income</b>                                     |      |                     |                    |
| <i>Items that may be reclassified subsequently to profit and loss</i> |      |                     |                    |
| Revaluation of land and buildings                                     | 11   | <u>463,173</u>      | <u>-</u>           |
| <b>Total comprehensive income</b>                                     |      | <u>674,402</u>      | <u>217,737</u>     |

The accompanying notes form part of these financial statements.

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

|                                      | Note | 2015<br>\$       | 2014<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>Current assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 4    | 3,781,378        | 3,342,509        |
| Receivables                          | 5    | 661,248          | 554,085          |
| Other assets                         | 6    | <u>34,778</u>    | <u>40,239</u>    |
| <b>Total current assets</b>          |      | <u>4,477,404</u> | <u>3,936,833</u> |
| <b>Non-current assets</b>            |      |                  |                  |
| Plant and equipment                  | 7    | <u>1,594,684</u> | <u>1,150,039</u> |
| <b>Total non-current assets</b>      |      | <u>1,594,684</u> | <u>1,150,039</u> |
| <b>Total assets</b>                  |      | <u>6,072,088</u> | <u>5,086,872</u> |
| <b>Current liabilities</b>           |      |                  |                  |
| Payables                             | 8    | 384,402          | 451,286          |
| Provisions                           | 9    | 1,140,703        | 921,209          |
| Other liabilities                    | 10   | <u>613,608</u>   | <u>364,542</u>   |
| <b>Total current liabilities</b>     |      | <u>2,138,713</u> | <u>1,737,037</u> |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Provisions                           | 9    | 273,897          | 358,559          |
| Other liabilities                    | 10   | <u>12,400</u>    | <u>18,600</u>    |
| <b>Total non-current liabilities</b> |      | <u>286,297</u>   | <u>377,159</u>   |
| <b>Total liabilities</b>             |      | <u>2,425,010</u> | <u>2,114,196</u> |
| <b>Net assets</b>                    |      | <u>3,647,078</u> | <u>2,972,676</u> |
| <b>Equity</b>                        |      |                  |                  |
| Reserves                             | 11   | 463,173          | -                |
| Retained earnings                    | 12   | <u>3,183,905</u> | <u>2,972,676</u> |
| <b>Total equity</b>                  |      | <u>3,647,078</u> | <u>2,972,676</u> |

The accompanying notes form part of these financial statements.

**A.Q.A. VICTORIA LTD**  
**ABN 90 006 691 185**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

|  | Reserves       | Retained earnings | Total equity     |
|--|----------------|-------------------|------------------|
|  | \$             | \$                | \$               |
| <b>Balance as at 1 July 2013</b>               | -              | 2,754,939         | 2,754,939        |
| Surplus for the year                           | -              | <u>217,737</u>    | <u>217,737</u>   |
| <b>Total comprehensive income for the year</b> | -              | <u>217,737</u>    | <u>217,737</u>   |
| <b>Balance as at 30 June 2014</b>              | -              | <u>2,972,676</u>  | <u>2,972,676</u> |
| <b>Balance as at 1 July 2014</b>               | -              | 2,972,676         | 2,972,676        |
| Surplus for the year                           | -              | 211,229           | 211,229          |
| Revaluation of land and buildings              | <u>463,173</u> | <u>-</u>          | <u>463,173</u>   |
| <b>Total comprehensive income for the year</b> | <u>463,173</u> | <u>211,229</u>    | <u>674,402</u>   |
| <b>Balance as at 30 June 2015</b>              | <u>463,173</u> | <u>3,183,905</u>  | <u>3,647,078</u> |

The accompanying notes form part of these financial statements.

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015**

|  | Note  | 2015<br>\$              | 2014<br>\$              |
|--|-------|-------------------------|-------------------------|
| <b>Cash flow from operating activities</b>       |       |                         |                         |
| Receipts from customers                          |       | 11,024,292              | 10,672,877              |
| Payments to suppliers and employees              |       | (10,671,959)            | (10,101,158)            |
| Interest received                                |       | 106,124                 | 127,305                 |
| Finance costs                                    |       | <u>-</u>                | <u>(20,518)</u>         |
| <b>Net cash provided by operating activities</b> |       | <u>458,457</u>          | <u>678,506</u>          |
| <b>Cash flow from investing activities</b>       |       |                         |                         |
| Proceeds from sale of plant and equipment        |       | -                       | 26,000                  |
| Payment for plant and equipment                  |       | <u>(19,588)</u>         | <u>(98,628)</u>         |
| <b>Net cash used in investing activities</b>     |       | <u>(19,588)</u>         | <u>(72,628)</u>         |
| <b>Cash flow from financing activities</b>       |       |                         |                         |
| Repayment of borrowings                          |       | <u>-</u>                | <u>(302,500)</u>        |
| <b>Net cash used in financing activities</b>     |       | <u>-</u>                | <u>(302,500)</u>        |
| <b>Reconciliation of cash</b>                    |       |                         |                         |
| Cash at beginning of the financial year          |       | 3,342,509               | 3,039,131               |
| Net increase in cash held                        |       | <u>438,869</u>          | <u>303,378</u>          |
| <b>Cash at end of financial year</b>             | 13(a) | <u><u>3,781,378</u></u> | <u><u>3,342,509</u></u> |

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

**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 - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and *Australian Charities and Not-for-profits Commission Act 2012*.

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. A.Q.A. Victoria Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

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**

*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 the rendering of services is recognised upon the actual provision of care 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.

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).

**(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.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) 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*.

**(e) Property, plant and equipment**

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

*Property*

Freehold land and buildings are measured at fair value. Every three years 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. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income under the heading of revaluation surplus; all other decreases are charged to profit and loss.

*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 property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

| <b>Class of fixed asset</b>              | <b>Depreciation rates</b> | <b>Depreciation basis</b> |
|--|---------------------------|---------------------------|
| Buildings at cost                        | 2.5%                      | Straight line             |
| Motor vehicles at cost                   | 22.5-25%                  | Straight line             |
| Office equipment at cost                 | 20-36%                    | Straight line             |
| Furniture, fixtures and fittings at cost | 5-20%                     | Straight line             |

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Provisions**

Provisions are recognised when the company 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.

**(g) 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.

**(h) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual 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. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Long-term employee benefit obligations*

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date 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.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(i) Goods and services tax (GST)**

Revenues, expenses and purchased 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.

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

**(j) Comparatives**

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

**A.Q.A. VICTORIA LTD**  
**ABN 90 006 691 185**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

|  | 2015              | 2014              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>NOTE 2: REVENUE AND OTHER INCOME</b>                      |                   |                   |
| Government grants  | 10,441,499        | 9,861,245         |
| Other revenue  |                   |                   |
| Interest income  | 100,663           | 118,679           |
| Fundraising  | 18,679            | 37,419            |
| Other revenue  | <u>64,533</u>     | <u>67,632</u>     |
|  | <u>183,875</u>    | <u>223,730</u>    |
| Other income   |                   |                   |
| Profit on sale of non current assets                         | -                 | 2,717             |
|  | <u>10,625,374</u> | <u>10,087,692</u> |
| <br><b>NOTE 3: OPERATING PROFIT</b>                          |                   |                   |
| Profit from continuing operations has been determined after: |                   |                   |
| Net gain on disposal of non-current assets:                  |                   |                   |
| - Profit on sale of property, plant and equipment            | -                 | 2,717             |
| Finance costs  |                   |                   |
| - interest expense   | -                 | 20,518            |
| Depreciation   | 38,116            | 36,834            |
| Amortisation of non-current assets                           |                   |                   |
| - borrowing costs  | -                 | 1,924             |
| Rental expense on operating leases                           |                   |                   |
| - minimum lease payments                                     | 20,609            | 50,679            |
| Employee benefits:   |                   |                   |
| - Other employee benefits                                    | 9,636,825         | 8,978,723         |
| <br><b>NOTE 4: CASH AND CASH EQUIVALENTS</b>                 |                   |                   |
| Cash on hand   | 500               | 500               |
| Cash at bank   | 1,194,745         | 847,879           |
| Cash on deposit  | <u>2,586,133</u>  | <u>2,494,130</u>  |
|  | <u>3,781,378</u>  | <u>3,342,509</u>  |

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

|  | 2015             | 2014             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>NOTE 5: RECEIVABLES</b>                       |                  |                  |
| CURRENT  |                  |                  |
| Trade debtors                                    | <u>661,248</u>   | <u>554,085</u>   |
| <br><b>NOTE 6: OTHER ASSETS</b>                  |                  |                  |
| CURRENT  |                  |                  |
| Accrued income                                   | <u>34,778</u>    | <u>40,239</u>    |
| <br><b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b> |                  |                  |
| <b>Land</b>                                      |                  |                  |
| At cost  | -                | 705,000          |
| At valuation                                     | <u>1,100,000</u> | <u>-</u>         |
| Total land                                       | <u>1,100,000</u> | <u>705,000</u>   |
| <br><b>Buildings</b>                             |                  |                  |
| At cost  | -                | 356,358          |
| Accumulated depreciation                         | <u>-</u>         | <u>(16,354)</u>  |
|  | -                | 340,004          |
| At valuation                                     | <u>400,000</u>   | <u>-</u>         |
| Total buildings                                  | <u>400,000</u>   | <u>340,004</u>   |
| Total land and buildings                         | <u>1,500,000</u> | <u>1,045,004</u> |
| <br><b>Plant and equipment</b>                   |                  |                  |
| Motor vehicles at cost                           | 52,256           | 52,256           |
| Accumulated depreciation                         | <u>(18,849)</u>  | <u>(9,247)</u>   |
|  | 33,407           | 43,009           |
| Office equipment at cost                         | 205,834          | 196,554          |
| Accumulated depreciation                         | <u>(167,401)</u> | <u>(149,380)</u> |
|  | 38,433           | 47,174           |
| Furniture, fixtures and fittings at cost         | 65,061           | 54,753           |
| Accumulated depreciation                         | <u>(42,217)</u>  | <u>(39,901)</u>  |
|  | <u>22,844</u>    | <u>14,852</u>    |
| Total plant and equipment                        | <u>1,594,684</u> | <u>1,150,039</u> |

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

|  | 2015                    | 2014                  |
|--|-------------------------|-----------------------|
|  | \$                      | \$                    |
| <b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>   |                         |                       |
| <b>(a) Reconciliations</b>   |                         |                       |
| Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year |                         |                       |
| <i>Land</i>  |                         |                       |
| Opening carrying amount  | 705,000                 | 705,000               |
| Net amount of revaluation increments less decrements   | <u>395,000</u>          | <u>-</u>              |
| Closing carrying amount  | <u><u>1,100,000</u></u> | <u><u>705,000</u></u> |
| <i>Buildings</i>   |                         |                       |
| Opening carrying amount  | 340,004                 | 348,181               |
| Net amount of revaluation increments less decrements   | 68,173                  | -                     |
| Depreciation expense   | <u>(8,177)</u>          | <u>(8,177)</u>        |
| Closing carrying amount  | <u><u>400,000</u></u>   | <u><u>340,004</u></u> |
| <i>Motor vehicles</i>  |                         |                       |
| Opening carrying amount  | 43,009                  | 25,138                |
| Additions  | -                       | 51,841                |
| Disposals  | -                       | (23,283)              |
| Depreciation expense   | <u>(9,602)</u>          | <u>(10,687)</u>       |
| Closing carrying amount  | <u><u>33,407</u></u>    | <u><u>43,009</u></u>  |
| <i>Office equipment</i>  |                         |                       |
| Opening carrying amount  | 47,174                  | 18,708                |
| Additions  | 9,280                   | 44,925                |
| Depreciation expense   | <u>(18,021)</u>         | <u>(16,459)</u>       |
| Closing carrying amount  | <u><u>38,433</u></u>    | <u><u>47,174</u></u>  |
| <i>Furniture, fixtures and fittings</i>  |                         |                       |
| Opening carrying amount  | 14,852                  | 14,501                |
| Additions  | 10,308                  | 1,862                 |
| Depreciation expense   | <u>(2,316)</u>          | <u>(1,511)</u>        |
| Closing carrying amount  | <u><u>22,844</u></u>    | <u><u>14,852</u></u>  |

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

|  | 2015<br>\$       | 2014<br>\$       |
|--|------------------|------------------|
| <b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b> |                  |                  |
| <b>(a) Reconciliations (Continued)</b>                   |                  |                  |
| <i>Total property, plant and equipment</i>               |                  |                  |
| Carrying amount at 1 July                                | 1,150,039        | 1,111,528        |
| Additions  | 19,588           | 98,628           |
| Disposals  | -                | (23,283)         |
| Net amount of revaluation increments less decrements     | 463,173          | -                |
| Depreciation expense                                     | <u>(38,116)</u>  | <u>(36,834)</u>  |
| Carrying amount at 30 June                               | <u>1,594,684</u> | <u>1,150,039</u> |

**NOTE 8: PAYABLES**

CURRENT

*Unsecured liabilities*

|                               |                |                |
|-------------------------------|----------------|----------------|
| Trade creditors               | 25,862         | 43,547         |
| Sundry creditors and accruals | <u>358,540</u> | <u>407,739</u> |
|                               | <u>384,402</u> | <u>451,286</u> |

**NOTE 9: PROVISIONS**

CURRENT

|                   |                      |                |
|-------------------|----------------------|----------------|
| Employee benefits | (a) <u>1,140,703</u> | <u>921,209</u> |
|-------------------|----------------------|----------------|

NON CURRENT

|                   |                    |                |
|-------------------|--------------------|----------------|
| Employee benefits | (a) <u>273,897</u> | <u>358,559</u> |
|-------------------|--------------------|----------------|

|  |           |           |
|--|-----------|-----------|
| <b>(a) Aggregate employee benefits liability</b> | 1,414,600 | 1,279,768 |
|--|-----------|-----------|

**(b) Reconciliation**

Reconciliation of the carrying amounts of recoupment of government grants at the beginning and end of the current financial year

|                         |          |                 |
|-------------------------|----------|-----------------|
| Opening balance         | -        | 81,243          |
| Unused amounts reversed | <u>-</u> | <u>(81,243)</u> |
| Closing balance         | <u>-</u> | <u>-</u>        |

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

|                                     | 2015<br>\$     | 2014<br>\$     |
|-------------------------------------|----------------|----------------|
| <b>NOTE 10: OTHER LIABILITIES</b>   |                |                |
| <b>CURRENT</b>                      |                |                |
| Lease incentive                     | 6,200          | 6,200          |
| Accrued revenue - government grants | <u>607,408</u> | <u>358,342</u> |
|                                     | <u>613,608</u> | <u>364,542</u> |
| <b>NON CURRENT</b>                  |                |                |
| Lease incentive                     | <u>12,400</u>  | <u>18,600</u>  |

**NOTE 11: RESERVES**

|                           |                |          |
|---------------------------|----------------|----------|
| Asset revaluation reserve | <u>463,173</u> | <u>-</u> |
|---------------------------|----------------|----------|

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

**NOTE 12: RETAINED EARNINGS**

|  |                  |                  |
|--|------------------|------------------|
| Retained earnings at beginning of year | 2,972,676        | 2,754,939        |
| Net profit                             | <u>211,229</u>   | <u>217,737</u>   |
|  | <u>3,183,905</u> | <u>2,972,676</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 2015, the number of members was 140 (2014: 181).

**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                                 | 1,194,745        | 847,879          |
| At call deposits with financial institutions | <u>2,586,133</u> | <u>2,494,130</u> |
|  | <u>3,781,378</u> | <u>3,342,509</u> |

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2015

|  | 2015<br>\$    | 2014<br>\$    |
|--|---------------|---------------|
| <b>NOTE 14: CAPITAL AND LEASING COMMITMENTS</b>  |               |               |
| (a) Operating lease commitments  |               |               |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements: |               |               |
| Payable  |               |               |
| - not later than one year  | 22,679        | 22,679        |
| - later than one year and not later than five years  | <u>43,986</u> | <u>66,665</u> |
|  | <u>66,665</u> | <u>89,344</u> |

General description of leasing arrangement - Commitments comprise the hire of printers and photocopiers.

**NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION**

|  |                |                |
|--|----------------|----------------|
| Compensation received by key management personnel of the company |                |                |
| - short-term employee benefits                                   | 540,062        | 468,564        |
| - other long-term benefits                                       | <u>50,569</u>  | <u>42,597</u>  |
|  | <u>590,631</u> | <u>511,161</u> |

The names of key management personnel during the year are:

| Name              | Position                      |
|-------------------|-------------------------------|
| Peter Trethewey   | Chief Executive Officer       |
| Nazim Erdem       | Spire Team Leader             |
| Carolyn Gallagher | Manager - A.Q.A. Qualcare     |
| Gaelyn Taylor     | Human Resources Advisor       |
| Fiona Gologranc   | Accounts/ Payroll Manager     |
| Robyn Canning     | Executive Assistant           |
| Harindra Corea    | Spire Development Coordinator |
| Carol Smith       | Human Resources Advisor       |

**NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2015 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2015, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2015, of the company.



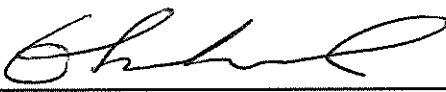
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 - 22, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*: and
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - (b) give a true and fair view of the financial position as at 30 June 2015 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:   
\_\_\_\_\_  
Colin Daws

Director:   
\_\_\_\_\_  
Greg Schinck

Dated this 5<sup>th</sup> day of OCTOBER 2015

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

**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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility 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* 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.

*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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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 *Australian Charities and Not-for-profits Commission Act 2012*.

A.Q.A. VICTORIA LTD  
ABN 90 006 691 185

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

*Opinion*

In our opinion, the financial report of A.Q.A. Victoria Ltd is in accordance with 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 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



K L BYRNE

Partner



PITCHER PARTNERS

Melbourne

Date: *5 October* 2015