ALARA QLD LIMITED
A.B.N. 94 628 523 943

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

ALARA
QLD Limited
supporting people with a disability

CONTENTS

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2017

The Directors present their report together with the financial report of ALARA QLD Limited ("the Company"), for the year ended 30 June 2017 and the Auditor's Report thereon.

The Directors holding Office during the financial year were:

Joanne Witt, *Cert IV Mental Health Recovery*	Chairperson
Catherine Wheeler, *Grad Dip in Computer Education, Dip Teach, Ass Dip Com Rec, Cert IV in Training & Assessment, JP (Qual)*	Company Secretary and Director
Ian Morley, *B. Com.*	Director and Treasurer
Robyn Hartfiel, *Llb (Hons)*	Director
Michael Kingham	Director
Noelene Schultz	Director
Antonietta Harrison, *Dip. Bus.; Adv. Dip. Acc.*	Director

DIRECTOR'S MEETINGS

The number of Board Meetings attended by each Board Director of ALARA QLD Limited during the financial year is as follows:

Name	No. Board Meetings held during the period of time the Director held office	Meetings Attended	No. of Workshops	Workshops Attended
Jo' Witt	11	9	2	2
Cathy Wheeler	11	8	2	2
Ian Morley	11	8	2	2
Robyn Hartfiel	11	7	2	2
Mike Kingham	11	11	2	2
Noelene Schultz	11	11	2	2
Toni Harrison	11	11	2	2

COMPANY SECRETARY

The Company Secretary of ALARA QLD Limited during and since the end of the financial year was Catherine Wheeler.

BOARD PROCESSES

Board Directors participated in two Board workshops.

The first Board Workshop was conducted on the 10th October 2016, and focused on the NDIS and strategic priorities for the Board and Management (facilitated by Scott Holz, Peregrinus)

A Board Planning Workshop was held on 25th February 2016 where the Board obtained an update the Aged Care program and changes to Aged Care Funding, support being provided to clients and families to prepare for the NDIS rollout and the Time and Attendance project. The Board also planned their Board activities and monitoring for the coming year.

During the financial year, Board members again conducted internal audits around key strategic areas identified in the Strategic Plan and the Executive Review.

Board members responsible for those audits were:

- Financial Outcomes: Ian Morley and Robyn Hartfiel
- Workforce Development: Toni Harrison, Mike Kingham and Jo' Witt
- Client and Community: Cathy Wheeler and Noelene Schultz
- Innovation and Improvement (bi-annual): Jo Witt, Toni Harrison and Cathy Wheeler
- Executive Review:
  - Executive Manager: Jo' Witt, Michael Kingham, Noelene Schultz
  - Finance Manager: Jo' Witt, Ian Morley, Toni Harrison

Board members participated at the Staff All-together held on the 17th October 2016 at the Catalyst Church Convention Centre at Brassall and in various functions and social events throughout the year.

PRINCIPAL ACTIVITY AND OBJECTIVES

The principal activity and objects of ALARA QLD Limited during the year was the provision of support and services for people with a disability, their carers and families in south east Queensland. In the opinion of the Directors no significant changes have occurred in the nature of these activities or objects during the financial year.

PREPARATION OF FINANCIAL STATEMENTS

RESULTS

The Company recorded an operating surplus for the current financial year of $247,823 compared to an operating surplus of $186,325 in the previous year. This increase in the operating result was due primarily to the following factors:

Revenue – increased by $581,892 (+6.8%)

- Grants received of $414,667 (+5.4%) primarily from success in gaining new individual packages
- Receipt of user fees increased by $2,681
- Hours sold to external clients and to individuals with YLYC packages increased by $225,802
- Unspent grants liability increased by $113,278 compared to $43,500 transferred from income from unspent grants in the previous year. This liability represents funds related to contracted service yet to be supplied and funds which may be subject to return.

Expenditure – increased by $520,394 (6.2%)

- Increase in wage costs of $220,119. This has been the labour costs of servicing new individual packages started during the year which is partially offset by a wage supplement grant.
- A decrease in provision for employee entitlements expense by $69,150
- External services purchased were higher by $276,115 which is largely due to extra services purchased from other providers through the choice now available under self-directed packages.
- Return of unspent funds to the Department was $5090 lower than the prior year.
- Additional overheads and operating costs amounted to $98,399

Operating surpluses are necessary to fund capital expenditure, which is typically not funded from recurrent grant subsidies and to build a buffer for future unexpected business outlays.

The year's operating surplus of $247,823 represents 2.7% of operating revenue (2016:2.2%) and includes a further motor vehicle replacement provision of $24,299 while providing a marginal operational buffer.

The Board established a special provision in 2016 for future growth of $100,000 to ensure ALARA QLD Limited is well prepared for any significant changes in its business model that might occur as a consequence of the implementation of NDIS in the coming years.

Capital Expenditure – $249,830 (2016-$340,267)

- ALARA has continued to replace service vehicles in its fleet – $54,388
- Total outlay on building improvements amounted to $138,660. The refurbishment of the Dingley Dell Property has progressed and will continue as funds become available.
- ALARA computer systems have been upgraded at the cost $32,624. This places the organisation in a positive position as it transitions to operating under the NDIS.

Total Accumulated Funds have grown to $3,504,425

DIVIDENDS

The Company is prohibited by its Constitution from paying dividends.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

LIKELY DEVELOPMENTS

The term of ALARA's current service agreements with key government funding bodies are as follows:

The current Department of Communities, Child Safety and Disability Services – Community Care Service Agreement has been extended to 30 June 2019. The Community Care agreement will be varied as individuals and associated funding transfer to the NDIS. The current Department Of Communities - Disability Services Service Agreement commenced on 1 July 2016 and the agreement runs with progressive adjustments as funded individuals transfer to the NDIS until the expiry or termination of the last remaining funding schedule. The agreement with the Federal Department of Health pertaining to the Commonwealth Home Support Programme has been extended to 30th June 2018.

With the introduction of a National Disability Insurance Scheme and reform in aged care funding arrangements, the ALARA Board are carefully monitoring developments. Strategies and performance objectives are included in the 2015/2017 Strategic Plan to prepare the organisation for transition to new funding models.

REVIEW OF OPERATIONS

Operations of the Company during the year are reviewed in the Chair's and Executive Manager's report in the Annual Report.

DIRECTORS' BENEFITS

No Directors' fees are payable.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the previous year no director of the company has received or become entitled to receive any benefit by reason of a contract made by the company or a related body corporate with the director, a firm of which the director is a member, or a company in which the director has a substantial financial interest.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The ALARA QLD Limited Constitution enables ALARA to the extent permitted by the Law to indemnify any person who is or has been a Director or Officer of the Company or related Body Corporate against any liability incurred by them in their capacity as a Director or officer, to a person other than the Company or Related Body Corporate, except where the liability relates to a wilful breach of duty or a contravention of Section 181-184 of the Law. Directors and officers are also indemnified against any liability for legal costs or expenses incurred by them in defending any proceedings in which judgement is given in their favour; or if they are acquitted or granted relief.

Director's liability insurance premiums have been paid by the entity and is included in the total insurance product/liability insurance amount of $7690 which also includes GST.

AUDITOR'S INDEPENDENCE DECLARATION

Refer to the attached Auditor's Independence Declaration which forms part of and should be read in conjunction with this report.

Dated at IPSWICH this 16th day of August 2017.

Signed in accordance with a resolution of the Directors:

Director

Director

ALARA QLD LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2017

	Note	2017	2016
REVENUE FROM CONTINUING OPERATIONS		**$**	**$**
User Pay Fees		190,232	187,552
Donations		27,316	21,347
Membership Fees		520	370
Other Income		50,300	32,508
Hours Sold		919,059	693,258
Interest Received		21,105	36,497
Disability Services - Recurrent		5,626,896	5,270,785
Disability Services - NonRecurrent		-	-
Community Care - Recurrent		2,382,147	2,319,746
Community Care - Non Recurrent		-	-
MyAgedCare - Recurrent		52,447	32,700
MyAgedCare - NonRecurrent		-	12,000
Other Grants		30,455	42,047
		-	
Transferred from/(to) Unspent Grants		(113,278)	(43,500)
		-	
TOTAL INCOME		**9,187,201**	**8,605,309**

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2017

	Note	2017	2016
EXPENSES		**$**	**$**
Advertising		9,313	4,735
Audit Fees (for audit of the company - nil other services)		7,800	7,000
Bad and Doubtful Debts		8,077	15,000
Bank Charges		5,494	2,722
Cleaning		23,881	20,081
Computer Software / Support		85,848	65,104
Consultancy Fees		6,252	16,182
Craft Supplies		600	1,282
Depreciation		186,999	176,094
Donations		2,659	1,902
Electricity		26,306	20,475
Fees & Subscriptions		26,912	11,585
First Aid		6,181	5,895
Functions & Fundraising		30,172	13,033
General Expenses		12,186	5,454
Equipment & Hire		32,811	19,870
Hours Purchased Other Services		1,692,507	1,429,333
Insurance		40,527	35,527
Interest Paid		282	1,365
Loss on Disposal of Fixed Asset		920	(23,486)
Motor Vehicle Expenses		117,553	68,903
Out of Pocket Expenses		11,484	8,411
Legal Costs		2,021	-
Postage & Stationery		99,410	107,802
Provision for Employee Entitlements		44,909	114,059
Quality Assurance		8,965	5,608
Rates		7,330	2,995
Rent		43,915	47,980
Repairs & Maintenance		41,143	47,508
Staff / Client Amenities		23,682	34,475
Staff Training		33,775	27,842
Superannuation		506,345	488,936
Telephone		75,285	51,508
Travelling / Mileage		110,758	128,848
Wages & Tsfr to Employee Entitlements		5,425,599	5,222,889
Volunteer Expenses		394	498
Workers' Comp Insurance		79,579	66,348
Recovery of Unspent Grant Funds		76,933	82,023
Provision for Vehicle Replacement		24,299	83,197
TOTAL EXPENSES		8,939,377	8,418,983
PROFIT (LOSS) FOR THE PERIOD		**247,823**	**186,325**

See Auditor's Report and accompanying notes to the financial statements.

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STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2017

Retained Earnings (Accumulated Benefit)	**2017**	**2016**
	$	**$**
Beginning Balance 1 July	3,256,601	3,170,276
Contributions	-	-
Transfer to Provision for Future Growth	-	(100,000)
Net Income	247,823	186,325
Ending Balance 30 June	3,504,425	3,256,601

BALANCE SHEET
YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	2	3,572,874	3,214,282
Trade and other receivables	3	143,311	100,485
TOTAL CURRENT ASSETS		3,716,184	3,314,766
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	3,275,278	3,234,449
TOTAL NON-CURRENT ASSETS		3,275,278	3,234,449
TOTAL ASSETS		6,991,463	6,549,215
CURRENT LIABILITIES			
Sundry creditors and provisions	5	599,701	552,398
Unexpended grants carried forward		855,014	741,736
Loans payable	6	-	11,066
Employee provisions	7	604,268	565,096
TOTAL CURRENT LIABILITIES		2,058,983	1,870,296
NON-CURRENT LIABILITIES			
Loans payable	6	1,229,079	1,229,079
Employee provisions	7	98,976	93,238
Provision for Future Growth	8	100,000	100,000
TOTAL NON-CURRENT LIABILITIES		1,428,055	1,422,317
TOTAL LIABILITIES		3,487,038	3,292,613
NET ASSETS		3,504,425	3,256,601
EQUITY			
Accumulated equity	9	3,504,425	3,256,601
TOTAL EQUITY		3,504,425	3,256,601
TOTAL EQUITY		3,504,425	3,256,601

See Auditor's Report and accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2017

	2017		2016	
Cash flows from operating activities	**$**	**$**	**$**	**$**
Cash receipts in the course of operations	9,159,333		8,605,422	
Interest received	21,105	9,180,438	36,497	8,641,919
Less:				
Cash payments in the course of operations	8,609,626		7,983,479	
Borrowing costs - interest paid	282	8,609,909	1,365	7,984,844
Cash flows from operating activities		570,529		657,075
Cash flows from investment activities				
Proceeds from sale of assets	56,000		56,000	
Payment for property, plant & equipment	(340,267)	(284,267)	(340,267)	(284,267)
		286,262		**372,807**
Cash flows from financing activities				
Loan raised/(repaid)	(11,317)	(11,317)	(17,132)	(17,132)
Net increase/(decrease) in cash		**274,946**		**355,676**
Cash at beginning of year		3,214,282		2,841,708
Cash at end of year				
Cash on hand	2,880		2,910	
Cash at bank	3,569,994	**3,572,874**	3,211,372	**3,214,282**

Notes to Statement of Cash Flows

1.Reconciliation of net operating cash flow to net operating profit:

Net operating profit/(loss)		**247,823**		**186,325**
Depreciation	186,999		176,094	
Loss on disposal of assets	(23,486)		(23,486)	
(Increase)/decrease in sundry debtors	(43,108)		(6,891)	
Increase/(decrease) in unexpended grants	113,278		43,500	
Increase/(decrease) in accruals	19,814		84,276	
Increase/(decrease in employee provisions	44,909		114,059	
Increase/(decrease) in provision for vehicle replacements	24,299	322,706	83,197	470,749
Cash flows from operating activities		**570,529**		**657,075**

2. Reconciliation of cash

For the purposes of the Cash Flow statement, cash includes cash on hand and at bank and cash equivalents

See Auditor's Report and accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 1 CORPORATE INFORMATION

The financial statements of the not-for-profit company, ALARA QLD Limited, (the company) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 16th August 2016.

Note 2 SUMMARY OF ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

(b) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgements

Leases

The company has entered into leases of premises and office equipment. Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

Grants received

The company has received a number of government grants during the year. Once the company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered) in which case it is accounted for under AASB 118 Revenue or a non-reciprocal grant in which case it is accounted for under AASB 1004 Contributions..

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Make good provisions

Any provisions for future costs to return certain leased premises to their original condition are based on the company's past experience, with similar premises and estimates of likely restoration costs determined by the company's property manager. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 2(j). The amount of these provisions would change should any of these factors change in the next 12 months

(c) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Legacies

Legacies are recognised when the company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Revenue from care

Government funding

The company's care activity is supported by grants received from the federal, state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

Fees from services to clients

Fees charged for care provided to clients are recognised when the service is provided.

Sales of goods

Revenue from sales of goods comprises revenue earned (net of returns, discounts and allowances) from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Investment income

Investment income comprises interest. Interest income is recognised as it accrues, using the effective interest method.

Asset sales

The gain or loss on disposal of all non-current assets and available-for-sale financial investments is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

(d) EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the company.

Hours purchased other services costs comprise amounts paid to external organisations to assist in the provision of care to clients

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(f) TRADE AND OTHER RECEIVABLES

Trade receivables, which comprise amounts due from sales of merchandise and from services provided to clients are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(g) PROPERTY, PLANT AND EQUIPMENT

Bases of measurement of carrying amount

Land and buildings are currently generally shown at cost but will be revalued and the revaluation will be measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the company or acquired for nominal cost are recognised at fair value at the date the company obtains control of the assets.

Revaluation of land and buildings

Following initial recognition at cost, land and buildings will be carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is the amount that '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'. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of comprehensive income, in which case it is credited to that statement.

When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss and other comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Depreciation

Items of property, plant and equipment (other than land and certain buildings) are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a diminishing value basis over the expected useful economic lives of the assets using varying rates as follows:

	2017	2016
Freehold buildings & improvements	0 to 20	0 to 20
Plant and equipment	20 to 30	20 to 30
Furniture and fittings	10 to 20	10 to 20
Computer equipment	25 to 30	25 to 30
Motor vehicles	22.5	22.5
Equipment held under finance leases	Lease Life	Lease Life

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income. However, where land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(h) TRADE CREDITORS AND OTHER PAYABLES

Trade payables and other payables represent liabilities for goods and services provided to the company before the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

(i) DEFERRED INCOME

Liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

(j) EMPLOYEE BENEFITS

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date that are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled . Liabilities for non-accumulating sick leave have been calculated at 40% of the total available sick leave, which is considered to be a conservative estimate of the amount that will be actually utilised.

The liability for long service leave is recognised in the provision for employee benefits and measured at the payrates applicable at reporting date. The directors do not currently believe it is practicable to calculate the provision by measuring 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. Under that method consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service and expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(m) LEASED ASSETS AND LIABILITIES

Operating leases

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Finance leases

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of profit or loss and other comprehensive income. The fair value of the leases is estimated as the present value of future cash flow, discounted at market interest rates. The carrying value of the leases is considered a reasonable reflection of fair value.

Capitalised leased assets are depreciated over the estimated useful life of the asset or lease term, if shorter.

(k) TAXATION

Income tax

The company is a Public Benevolent Institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Note 2 CASH AND CASH EQUIVALENTS	2017	2016
	$	$
Cash at Bank	88,524	19,241
Cash at Bank - Donations Account	78,987	67,262
Cash at Bank - Maximiser Account	3,147,790	2,832,790
Cash at Bank - Self Directed	254,692	292,078
Cash on Hand	2,880	2,910
	3,572,874	3,214,282

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the company's cash requirements. These deposits earn interest at market rates.

The monies held at Bank are retained at balance date and are intended to be expended in future financial years for the following purposes:

Grant funds for:

- Capital purposes including vehicle replacements
- Client support
- Emergency Relief
- Employee Entitlements
- Replacement for Vehicles

Note 3 TRADE AND OTHER RECEIVABLES	2017	2016
	$	$
Sundry Debtors	158,061	114,952
Less: Provision for doubtful debts	(15,000)	(15,000)
Other Debtors	250	532
	143,311	100,485

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 3 PROVISION FOR DOUBTFUL DEBTS

Past experience indicates that no impairment allowance is necessary in respect of trade debtors 'not past due' and 'past due 0-30 days'. Impairment allowances recognised at the reporting dates have been determined after a review of amounts outstanding at those dates and comprise amounts due from individual residents at the company's residential care facilities. No individual balance due exceeds $1,000 and no collateral is held as security for these amounts. The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

	2017	2016
	$	$
Balance at 1 July	15,000	-
Impairment losses recognised	-	15,000
Balance at 30 June	15,000	15,000

Note 4 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Furniture & Fittings	Plant & Equipment	IT Equipment	Motor Vehicles	Total
COST OR FAIR VALUE						
At 30 June 2016	2,798,722	123,888	232,373	243,433	981,159	4,379,574
Additions	138,660	3,428	20,780	32,624	54,388	249,880
Disposals	-	-	-	-	(61,844)	(61,844)
At 30 June 2017	**2,937,382**	**127,316**	**253,153**	**276,057**	**973,703**	**4,567,611**
ACCUMULATED DEPRECIATION						
At 30 June 2016	(181,332)	(95,744)	(191,835)	(165,516)	(510,699)	(1,145,126)
Charge for year	(34,894)	(5,794)	(12,588)	(23,436)	(110,287)	(186,999)
Disposals	-	-	-	-	39,792	39,792
At 30 June 2017	**(216,226)**	**(101,538)**	**(204,422)**	**(188,953)**	**(581,195)**	**(1,292,333)**
NET CARRYING AMOUNT						
at 30 June 2017	**2,721,157**	**25,778**	**48,730**	**87,104**	**392,509**	**3,275,278**

Revaluation of land and buildings

The company intends to engage independent accredited valuers to determine the fair value of its land and buildings. Fair value is amount that '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'. The highest and best use of the land and buildings are considered in determining the valuation.

Note 5 TRADE CREDITORS AND OTHER PAYABLES

	2017	2016
	$	$
Trade creditors	3,189	-
Provision Vehicle Replacement	368,551	344,252
Accrued wages	227,961	208,146
	599,701	552,398

The provision of $344,252 has been created out of operational funding to replace company owned vehicles in the future.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 6 INTEREST-BEARING LOANS	2017	2016
(A) OBLIGATIONS UNDER SECURED LOANS	$	$
Current		
National Australia Bank Equipment Loan	-	11,066
Non-current		
National Australia Bank Equipment Loan	-	-
Salisbury Road - Mortgage Department of Communities	1,229,079	1,229,079
	1,229,079	1,240,145

A first mortgage of $600,000 was given to the Department of Communities in 2010 as security for the property purchased at 33 Salisbury Road. The Company received further capital project funding during 2011/12 and 2012/13 of $629,079 to refurbish the property. This has increased the total mortgage to $1,229,079 which is due for release in 2030. A 5-year loan facility of $200,000 was established with the NAB during 2012 to fund the purchase of a Commuter bus. This loan was fnalised during 2016/17. There are no other mortgages, charges or other securities affecting the assets of the Company.

Note 7 EMPLOYEE PROVISIONS

(A) CURRENT		
Long service leave	194,244	122,821
Annual leave	311,227	350,044
Sick leave	98,797	92,231
Total current provisions	604,268	565,096
(B) NON-CURRENT		
Long service leave	98,976	93,238
Total non-current provisions	98,976	93,238

A portion of long service leave and the entire annual leave balance have been classified as a current liability since the company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period. The company expects that 34% of the long service liability will be paid after 12 months following the end of the reporting period.

Note 8 PROVISION FOR FUTURE GROWTH

Non-current		
Provision for Future Growth	100,000	100,000
Total non-current provisions	100,000	100,000

The board have established a special provision for future growth to ensure ALARA QLD Limited is well prepared for any significant changes to its business model that might occur as a consequence of the implementation of the NDIS in the coming years.

Note 9 TOTAL FUNDS

(A) MOVEMENTS IN FUNDS

Details of the movement in each reserve and fund are provided in the statement of changes in equity.

(B) MEMBERS' GUARANTEE

The company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the company.

Note 10 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

DIRECTORS' COMPENSATION

The directors act in an honorary capacity and receive no compensation for their services.

Note 11 ECONOMIC DEPENDENCY

The company is dependent upon the ongoing receipt of grants from the Queensland Department of Communities, Child Safety and Disability to ensure the continuance of its services to clients.

Note 12 ADDITIONAL COMPANY INFORMATION

The registered office of the company and its principal place of business is: 8 Warwick Road, IPSWICH QLD 4305

DIRECTORS' DECLARATION

1. (a) The financial statements and notes to the accounts have been made out in accordance with applicable Australian Accounting Standards.

1. (b) The financial statements and notes to the accounts are drawn up so as to give a true and fair view of the results and cash flows and financial position of the company for the financial year ended 30 June 2017.

2. In the opinion of the Directors:

   (a) As at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

   (b) The financial statements set out on F7 to F16 are drawn up in accordance with the Corporations Law including Sections 296 and 297.

Dated at this the 16th of August 2017 in accordance with a resolution of the Board:

Director:

Director:

See Auditor's Report and accompanying notes to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

CB AUDIT

CB Audit Pty Ltd
ABN 32 146 530 529

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T 07 3823 5041
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11 August 2017

The Directors
Alara Qld Limited
PO Box 63
IPSWICH QLD 4305

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of the company for the year ended 30 June 2017 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to this audit;
- No contraventions of the Code of Professional Conduct in relation to this audit.

Yours faithfully,

Matthew Williams
CB Audit Pty Limited
Registered Company Auditor No.470848

INDEPENDENT AUDITOR'S REPORT

CB AUDIT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALARA QLD LIMITED

Report on the Audit of the Financial Report - Opinion

We have audited the accompanying financial report of Alara Qld Limited, which comprises the statement of financial position as at 30 June 2017, 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 responsible entities' declaration.

In our opinion, the financial report of Alara Qld 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 registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 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 registered entity 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.

Responsibility of the Responsible Entities' for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so. The responsible entities are responsible for overseeing the registered entity's financial reporting process.

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Auditor's Responsibility 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Matthew Williams
Registered Company Auditor
No 740848

17 August 2017