

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

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2015**

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2015

The Directors present their report together with the financial report of ALARA QLD Limited ("the Company"), for the year ended 30 June 2015 and the Auditor's Report thereon.

The Directors holding Office during the financial year were:

Joanne Witt	Chairperson
Catherine Wheeler , <i>Grad Dip in Computer Education, Dip Teach, Ass Dip Com Rec, Cert IV in Training & Assessment, JP (Qual)</i>	Company Secretary and Director
Ian Morley , <i>B. Com.</i>	Director and Treasurer
Robyn Hartfiel , <i>Lib (Hons)</i>	Director
Michael Kingham	Director
Noelene Schultz , <i>Registered Nurse (NP)</i>	Director
Antonietta Harrison , <i>Dip. Bus.; Adv. Dip. Acc.</i>	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	10	10	2	2
Cathy Wheeler	10	8	2	2
Ian Morley	10	10	2	2
Robyn Hartfiel	10	10	2	2
Mike Kingham	10	10	2	2
Noelene Schultz	10	10	2	2
Toni Harrison**	7	7	2	2

Note: ** Board Director Antonietta (Toni) Harrison was elected to the Board Directors at the AGM 8th September 2014. Toni did not take up her role as Board Director until the 12th October 2015 meeting allowing time for her Blue Card - Working with Children Check to be processed. She attended the September meeting as a guest of the Board.

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 annual two-day Board Workshop was conducted on the 11th and 12th October 2014, and focused on:

- Governance
- NDIS Update
- Key Issues in NDIS Transition
- Review of the Strategic Plan

This workshop was facilitated by Len Airey, Power and Might Pty Ltd.

A Board Planning Workshop was held on 28th February 2014 where the Board obtained an update on key projects and planned their Board activities and monitoring for the 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: Robyn Hartfiel and Toni Harrison
- Workforce Development: Cathy Wheeler and Noelene Schultz
- Client and Community: Robyn Hartfiel and Ian Morley
- Executive Review: Jo' Witt and Ian Morley

Board members participated at the Staff All-together held on the 20th October 2014 at the Ipswich North RSL and in various functions and social events throughout the year.

A **working group** meets on an "as needs" basis to advise the Board in relation to property matters. This group is comprised of R. Hartfiel (Director), I. Morley (Treasurer), R. Bentley (Finance Manager) and J. Dickson (Executive Manager). The current focus of the group is the renovation of the Dingley Dell Gallery as funds become available.

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 \$406,107 compared to an operating surplus of \$19,350 in the previous year. This increase in the operating result was due primarily to the following factors:

Revenue – increased by \$1,286,917 +18.1%:

- Grants received increased by \$857,100 primarily from success in new individual packages.
- Receipt of Wage Supplement grants of \$245,756 covering two years.
- Unspent grants liability increased by \$12,812 compared to \$303,507 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 \$900,160 (12.7%):

- Wage cost of \$344,447. This has been the labour cost of servicing the increase in new individual packages started during the year and the increment in the pay rates for direct service staff during the transition to the Modern Award offset by a wage supplement grant. Increase in provision for employee entitlements reduced by \$91,924.
- External services purchased of \$638,193 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 \$126,620 higher than prior years.
- Saving in overhead and operating cost amounted to \$117,176.

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 \$406,107 represents 4.8% of operating revenue (2014: 3.1% before the creation of motor vehicle replacement provision of \$200,388) providing a marginal operational buffer.

Capital expenditure – \$305,539

- ALARA has continued to replace service vehicles in its fleet – \$134,608.
- Total outlay on building improvements amounted to \$87,392. The development of the Salisbury Road wheelchair accessible garden has continued. Refurbishment of the Dingley Dell property has progressed and will continue as funds become available.
- ALARA computer systems have been upgraded and places the organisation in a positive position to continue to support the organisation as it transitions to the NDIS – \$59,647.

Total Accumulated Funds have grown to \$3,170,276.

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: Department of Communities, Child Safety and Disability Services – Community Care runs to 30 June 2017 and with Disability Services runs to 30 June 2016. The agreement with the Federal Department of Social Services during the transition period to the Commonwealth Home Support Programme has been extended to 31 October 2015. 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 2014/2016 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 EM'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.

Directors' liability insurance premiums have been paid by the entity and are included in the total insurance product/liability insurance amount of \$4,500.

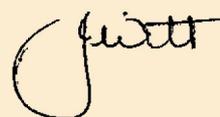
AUDITOR'S INDEPENDENCE DECLARATION

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 17th day of August 2015.

Signed in accordance with a resolution of the Directors:

Director



Director



AUDITORS' INDEPENDENT DECLARATION



15 August 2015

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 2015 and in accordance with the provisions of the Corporations Act 2001.

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

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in relation to this audit.

Yours faithfully,

Chris Booker FCA
Chartered Accountant
Registered Company Auditor No. 15761

This declaration forms part of and should be read in conjunction with the director's report.

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Liability limited by a
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Professional Standards
Legislation

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
REVENUE FROM CONTINUING OPERATIONS			
User Pay Fees		165,036	137,411
Donations		18,858	15,437
Membership Fees		340	780
Other Income		37,020	13,723
Hours Sold		566,230	476,347
Interest Received		50,377	55,041
Disability Services - Recurrent		4,874,946	4,420,146
Disability Services - NonRecurrent		346,753	3,050
Community Care - Recurrent		2,254,808	2,183,833
Community Care - Non Recurrent		26,855	-
HACC - Recurrent		35,187	33,624
HACC - NonRecurrent		-	-
Other Grants		20,865	61,660
Transferred from/(to) Unspent Grants		(12,812)	(303,507)
TOTAL INCOME		8,384,462	7,097,545

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
EXPENSES			
Advertising		5,238	5,843
Audit Fees (for audit of the company - nil other services)		7,220	4,221
Bad Debts		356	635
Bank Charges		2,969	3,589
Capital Expenditure		305,539	150,355
Transfer to Fixed Assets		(305,539)	(150,355)
Cleaning		19,033	18,115
Computer Software / Support		68,402	51,449
Consultancy Fees		10,752	12,051
Craft Supplies		1,877	2,645
Depreciation		185,014	153,830
Donations		2,683	389
Electricity		24,227	24,046
Fees & Subscriptions		17,150	14,083
First Aid		5,550	7,049
Functions		9,713	11,702
General Expenses		7,979	11,646
Equipment & Hire		57,904	59,582
Hours Purchased Other Services		1,270,085	631,892
Insurance		35,900	36,018
Interest Paid		2,494	3,623
Loss on Disposal of Fixed Asset		8,239	-
Motor Vehicle Expenses		108,427	108,630
Out of Pocket Expenses		4,330	16,776
Legal Costs		-	1,778
Postage & Stationery		77,967	75,818
Provision for Employee Entitlements		4,113	96,037
Quality Assurance		-	5,445
Rates		3,907	3,837
Rent		45,455	35,900
Repairs & Maintenance		43,277	47,935
Staff / Client Amenities		35,819	33,731
Staff Training		16,579	25,289
Superannuation		460,935	423,164
Telephone		50,118	55,815
Travelling / Mileage		150,887	135,627
Wages & Tsfr to Employee Entitlements		4,947,634	4,640,959
Volunteer Expenses		827	235
Workers' Comp Insurance		59,751	80,165
Recovery of Unspent Grant Funds		164,879	38,260
Provision for Vehicle Replacement		60,667	200,388
TOTAL EXPENSES		7,978,355	7,078,194
PROFIT (LOSS) FOR THE PERIOD		406,107	19,350

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2015

	Retained Earnings (Accumulated Deficit)	Total
Beginning Balance 1 July 2013	2,744,819	2,744,819
Contributions	-	-
Distributions	-	-
Net income	19,350	19,350
Ending Balance 30 June 2014	2,764,169	2,764,169
Contributions	-	-
Distributions	-	-
Net income	406,107	406,107
Ending Balance 30 June 2015	3,170,276	3,170,276

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

BALANCE SHEET
YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	2	2,841,708	2,463,407
Trade and other receivables	3	109,959	79,490
TOTAL CURRENT ASSETS		2,951,667	2,542,896
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	3,102,790	3,043,236
TOTAL NON-CURRENT ASSETS		3,102,790	3,043,236
TOTAL ASSETS		6,054,456	5,586,133
CURRENT LIABILITIES			
Sundry creditors and provisions	5	384,925	327,175
Unexpended grants carried forward		698,236	685,424
Loans payable	6	16,599	14,105
Employee provisions	7	465,634	458,223
TOTAL CURRENT LIABILITIES		1,565,393	1,484,927
NON-CURRENT LIABILITIES			
Loans payable	6	1,240,145	1,255,097
Employee provisions	7	78,642	81,940
TOTAL NON-CURRENT LIABILITIES		1,318,787	1,337,037
TOTAL LIABILITIES		2,884,180	2,821,964
NET ASSETS		3,170,276	2,764,169
EQUITY			
Accumulated equity	8	3,170,276	2,764,169
TOTAL EQUITY		3,170,276	2,764,169
TOTAL EQUITY		3,170,276	2,764,169

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2015

	2015		2014	
	\$	\$	\$	\$
Cash flows from operating activities				
Cash receipts in the course of operations	8,318,325		7,340,758	
Interest received	50,377	8,368,702	55,041	7,395,799
Less:				
Cash payments in the course of operations	7,720,984		6,593,608	
Borrowing costs - interest paid	2,494	7,723,478	3,623	6,597,231
Cash flows from operating activities		645,224		798,568
Cash flows from investment activities				
Proceeds from sale of assets	52,973		11,000	
Payment for property, plant & equipment	(305,539)	(252,567)	(150,355)	(139,355)
		392,657		659,213
Cash flows from financing activities				
Loan raised/(repaid)	(14,356)	(14,356)	(12,975)	(12,975)
Net increase/(decrease) in cash		378,302		646,238
Cash at beginning of year		2,463,407		1,817,170
Cash at end of year				
Cash on hand	3,110		3,550	
Cash at bank	2,838,598	2,841,708	2,459,857	2,463,408

Notes to Statement of Cash Flows

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

Net operating profit/(loss)		406,107		19,350
Depreciation	185,014		153,830	
Loss on disposal of assets	8,001		5,575	
(Increase)/decrease in sundry debtors	(28,572)		(5,252)	
Increase/(decrease) in unexpended grants	12,812		303,507	
Increase/(decrease) in accruals	(2,917)		25,133	
Increase/(decrease) in employee provisions	4,113		96,037	
Increase/(decrease) in provision for vehicle replacements	60,667	239,117	200,388	779,218
Cash flows from operating activities		645,224		798,568

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 2015

Note 1 CORPORATE INFORMATION

The financial statements of the not-for-profit company, ALARA Qld Ltd, (the company) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 17th August 2015.

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 Corporations Act 2001, 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 2015

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:

	2015	2014
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 2015

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 2015

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	2015	2014
		\$	\$
	Cash at Bank	44,508	62,609
	Cash at Bank - Donations Account	57,051	45,953
	Cash at Bank - Maximiser Account	2,551,790	2,206,790
	Cash at Bank - Self Directed	185,249	144,504
	Cash on Hand	3,110	3,550
		<u>2,841,708</u>	<u>2,463,407</u>

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	2015	2014
		\$	\$
	Sundry Debtors	108,062	79,490
	Less: Provision for doubtful debts	-	-
	Other Debtors	1,897	-
		<u>109,959</u>	<u>79,490</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

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 clients. No individual balance due exceeds \$5,000 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:

Balance at 1 July	-	-
Impairment losses recognised	-	-
Balance at 30 June	-	-

Note 4 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Furniture & Fittings	Plant & Equipment	IT Equipment	Motor Vehicles	Total
COST OR FAIR VALUE						
At 30 June 2014	2,714,089	106,725	223,968	170,564	913,206	4,128,552
Additions	87,393	9,118	14,772	59,648	134,608	305,539
Disposals	(19,115)	-	(11,271)	(9,091)	(117,186)	(156,662)
At 30 June 2015	2,782,367	115,843	227,469	221,121	930,629	4,277,430
ACCUMULATED DEPRECIATION						
At 30 June 2014	(126,928)	(83,194)	(172,882)	(123,024)	(579,108)	(1,085,316)
Charge for year	(35,989)	(6,430)	(15,887)	(27,175)	(99,531)	(185,012)
Disposals	13,540	-	9,984	8,534	63,630	95,689
At 30 June 2015	(149,377)	(89,625)	(178,785)	(141,845)	(615,009)	(1,174,640)
NET CARRYING AMOUNT						
at 30 June 2015	2,632,990	26,219	48,685	79,276	315,620	3,102,790

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

	2015	2014
	\$	\$
Trade creditors	-	-
Provision Vehicle Replacement	261,055	200,388
Accrued wages	123,870	126,787
	<u>384,925</u>	<u>327,175</u>

The provision of \$281,655 has been created out of operational funding to replace company owned vehicles in the future.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2015

Note 6 INTEREST-BEARING LOANS

	2015	2014
(A) OBLIGATIONS UNDER SECURED LOANS	\$	\$
Current		
National Australia Bank Equipment Loan	16,599	14,105
Non-current		
National Australia Bank Equipment Loan	11,066	26,018
Salisbury Road - Mortgage Department of Communities	1,229,079	1,229,079
	<u>1,256,744</u>	<u>1,269,202</u>

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. There are no other mortgages, charges or other securities affecting the assets of the Company.

Note 7 EMPLOYEE PROVISIONS

(A) CURRENT		
Long service leave	95,915	74,307
Annual leave	293,760	313,462
Sick leave	75,958	70,454
Total current provisions	<u>465,634</u>	<u>458,223</u>
(B) NON-CURRENT		
Long service leave	78,642	81,940
Make good provision under leases	-	-
Total non-current provisions	<u>78,642</u>	<u>81,940</u>

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 45% of the long service liability will be paid after 12 months following the end of the reporting period.

Note 8 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 9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

DIRECTORS' COMPENSATION

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

Note 10 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 11 ADDITIONAL COMPANY INFORMATION

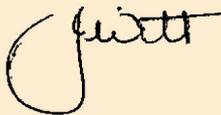
The registered office of the company and its principal place of business is:
8 Warwick Road, IPSWICH QLD 4305

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 2015.
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 F17 are drawn up in accordance with the Corporations Law including Sections 296 and 297.

Dated at this the 17th of August 2015 in accordance with a resolution of the Board:

Director:



Director:



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

AUDITORS' REPORT



Independent Auditor's Report to the Members of Alara Qld Ltd

Scope

We have audited the attached general purpose financial report for a non-profit organisation as set out on pages 26 to 42 for the year ended 30 June 2015.

Board of Management Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and Corporations Act 2001 and for such internal control as the directors 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.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, previously provided to the directors of the company, would be in the same terms if provided to the directors as at the date of this auditor's report.

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Auditor's Opinion

In our opinion, the financial report of Alara Qld Ltd is in accordance with the Corporations Act 2001, 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 to the extent described in Note 1 and complying with the Corporations Regulations 2001.



Chris Booker FCA
Registered Company Auditor
No 15761

19 August 2015