

Annual Report 2015



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Board of Governance



Wolfgang Schwarz
President



Jamie Gay
Vice President



Noel Sargent
Treasurer



Kerry May
Secretary



John Garrett
Director



Sue Slater
Director



Andrew Cottrill
Director



Elizabeth Pogson
Director

Vision, Mission and Values Statement

Vision

A community where all people are empowered and supported to achieve their individual goals and live the life they choose.

Mission

Aspire works alongside people with disabilities and their families towards achieving their goals and aspirations.

Values

Aspire provides services and programs through its various locations according to the following values:

Respect for the individual

- We acknowledge strengths and abilities of all people
- We accept differences and diversity
- We are non-judgemental

Understanding and responsiveness to individual needs

- We listen to our clients, staff and the community
- We take a person centred approach to our work
- We are adaptive and flexible

Integrity and trust

- We operate with transparency and are accountable for our decisions and actions
- We uphold privacy and confidentiality
- We follow through on our commitments
- We maximise safety through policies and practice

Innovation and flexibility

- We are open to new ideas and creativity
- We seek input from all stakeholders
- We maintain awareness of trends and evidence based practice

Quality and professionalism

- We put in place and implement systems to ensure the quality of our services and we foster continuous improvement
- We undertake and respond to rigorous risk assessment
- We ensure staff have the skills and values to fulfil our mission

About Aspire

Aspire Support Services provides support to people with a disability and their families through a range of services, including respite care, day programs, supported accommodation, early intervention and education opportunities.

Based in Albury and Wodonga, Aspire has a range of services that enable us to support people with a range of needs across their lifespan.

History

Aspire began in 2012 when Woodstock Support Inc, Kalparrin Inc. and Coinda Family Support Services merged to form Aspire Support Services. The three organisations merged with a vision of creating a premier service that would enable people with a disability to live the life they chose and to better support families in their caring role. In July 2013, Community Options Brokerage Service (COBS) also amalgamated with Aspire.

The desired outcomes from the merger are to:

1. Improve the quality of services provided by the organisations, now and for future clients.
2. Provide a broader spectrum of services to clients and families (eg Specialist services, specialist personnel, innovative models of service).
3. Ensure long term sustainability for all organisations.
4. Provide opportunities for growth with expanded or additional services.
5. Ensure local providers are supporting local people.
6. Build an infrastructure that more readily facilitates a 'person-centred' approach to service delivery. ('Person-centred' is the terminology recommended by the Department of Ageing, Disability and Home Care)



7. Minimise the increasing cost of compliance and implement the required quality accreditation.
8. Develop a broader organisational skill set.
9. Provide a management structure that will sustain the merged organisation, ensuring growth.

Since Aspire began operations, the organisation has experienced significant growth with the opening of a new supported accommodation house and staff numbers rising by over 35 percent. Going forward, Aspire is beginning the process of community engagement to understand the needs of people with a disability and their families, so that we can continue to develop new services and support to better meet the needs of people with a disability.



Chairperson's and CEO's Report

The 2015 financial year has been significant in the evolution of Aspire as an organisation. One clear focus of the Board and Management has been to transform the organisation to become ready for the implementation of the National Disability Insurance Scheme (NDIS). We believe that to become NDIS ready Aspire requires that our staff, our structure, our business model and our tools and infrastructure are appropriately aligned to this new era in service delivery.

NDIS commences in NSW in July 2016 and in the region in July 2017. The Board and CEO have engaged in a number of fact finding projects that include, visiting and meeting with the CEO of Karringal in the Barwon NDIS trial site, attending various NDIS Ready updates in Melbourne and discussions with local service providers. These sessions have provided invaluable information to help in preparing for the challenges that lie ahead in the NDIS world.

In July 2014 the Board was strengthened with the addition of Sue Slater. Sue brings a wealth of experience in senior management roles clinical expertise and a very strong interest in the corporate application of social media.

During the year the senior management of the organisation was restructured to develop a fit for purpose structure that would help navigate through the complexities of preparing for the NDIS. This was also an opportunity to ensure that the organisation had the right skill set to tackle some major challenges of moving towards a funding environment that was individualised and portable.

A substantial investment was made to ensure that our Information Technology systems were capable and had the capacity to allow us to manage our current business and be NDIS ready. A comprehensive needs analysis was undertaken, various software options analysed before we decided on the new integrated solution. The Board of Directors approved over \$170,000 in hardware and software upgrades in March 2015 as part of the strategy to be prepared for the NDIS environment.

The Aspiring Lifestyles Program presented some challenges to ensure that it can continue to deliver a client centred service and remain financially viable. To ensure the continuation of this valuable program

the Board made some strategic decisions to cease some transportation options and to align the unit costs on both sides of the Border. As we transition from a block funding model it is important to define what activities form our core business and move away from services that are not financially viable.

Funding for Early Childhood Intervention services continued to grow throughout the year and there was also opportunities to expand further into the Support Accommodation area with a number of new clients commencing in February. Our ability to expand in these areas is largely due to the breadth of skills and expertise across the organisation and our willingness to work collectively to support individuals. The employment of a behavioural specialist has also enable the organisation to grow and expand the type of clients that we support.

Our Community Grants Scheme had another outstanding year by distributing over \$143,000 to people in need. All monies raised through the Oaks Day Luncheon along with the donations from Commercial Club go towards continuing this worthy cause and we look forward to working with both parties to ensure this scheme continues long into the future.

A significant achievement came in the form of the completion of the Andrew St facility which was handed over to Aspire in November 2014. This five unit facility is for semi independent living and has central common room for staff and clients to meet in.

In December 2014 Aspire successfully obtained their accreditation with both Department of Human Services Victoria and Family and Community Services NSW. The audit and accreditation was undertaken by Global Mark and assessed the organisations ability to meet the Disability Standards in Victoria and NSW. This accreditation now runs through until the end of 2017.

After another year of substantial progress and achievements The Board and Management believe that we are well placed to move towards the NDIS era with the right people and tools to make a successful transition.

Wolfgang Schwarz
Nigel Stone

President of Board
CEO

Treasurer's Report

A very mixed year with some continuing challenges as we move towards the implementation of the NDIS in 2017. The staff restructure not only took a significant amount of Management and Board effort but had a significant effect on the financial result for the year. There were also some one-off costs associated with the winding up of the merged entities. A breakdown of these extraordinary costs is as follows:

Statutory Surplus/(Deficit) per Audited Financial Statements of	<u>(\$479,246)</u>
Add back Extraordinary items	
Restructure Expenses	
Redundancy Payments	\$181,330
HR Consulting	\$4,583
Legal Fees	\$56,699
Business Review	<u>\$12,328</u>
Total Extraordinary items	\$254,940
Underlying Surplus/(Deficit)	<u>(\$224,306)</u>

Despite the disappointing result we continue to have a very healthy Balance Sheet with significant cash reserves. An external property revaluation performed during the year has added almost \$800k to our Total Equity.

The ongoing losses in Aspiring Lifestyles is continuing to be a burden on the profitability of the business, some small changes to charge rates and transport arrangements were implemented in December 2014. These changes had a minor effect but we are continuing to struggle with identifying the many reasons for the losses. The legacy systems inherited from the merged entities have not been able to provide the information needed to identify the issues. Much of the analysis is required to be done manually with assumptions for the many gaps in the information. The preparation of client statements during the year was also a largely manual process because of the lack of information from our current systems.

The TCM and MYOB EXO implementations can't come soon enough. Ideally, if the new systems had been implemented earlier, we may have been able to minimise some of the Aspiring Lifestyle losses. I was disappointed to hear the current implementation timetable has been delayed again following the identification of a fault in the TCM system.

Subsequent to the end of the Financial Year, our Finance Manager has resigned leaving a large gap in our administration. Until a replacement has been appointed some external resources have been sourced to provide further analysis on the underlying losses in Aspiring Lifestyles along with provision of ongoing accounting support.

Our Auditors, who provide Audit Services to a number of NFP organisations, have provided us with the following suggestions which I have included below for consideration.

Auditor suggestions for improvement:

1. *"Reconfigure the board meetings and associated reporting such the financials are considered quarterly rather than monthly, with a greater emphasis on integrity re the quarterly numbers presented. I sense perhaps in the battle to generate monthly numbers the funding in advance was rushed and not done as well as it could have been.*
2. *Aspire to consider an internal audit function. Internal audit works for the Board and can focus attention on areas of concern, such as Noel's how the monthly financial result tracked and does that process have integrity. I think Aspire is coming to a size where consideration of internal audit from a governance perspective would be a wise consideration. Ordinarily that same firm does not perform the internal and external audit roles and so it would be wise to have a chat to Johnsons about what an internal audit program might look like and required budget so that you can make an informed recommendation to the Board regarding this function."*

Finally, as 2016 will be my last year as Treasurer, we need to recruit a replacement as soon as possible to ensure a smooth changeover. I am currently having discussions with a potential candidate which, at this stage, looks promising.

Noel Sargent
Treasurer

Strategic Domains

In order to prepare for the NDIS Aspire is transitioning from a community service organisational model to a business model using seven key domain areas.

7 KEY DOMAINS	QUESTION
STRATEGY	How does our strategy allow us to be agile, flexible and responsive to the changes in our Industry?
CORPORATE GOVERNANCE	Do our decision making processes allow us to effectively manage the key risks, challenges and opportunities facing our business?
CLIENTS AND MARKET FOCUS	How will we differentiate ourselves to retain and attract clients in an increasingly competitive market?
FINANCIAL SUSTAINABILITY	What impact will individualised funding have on our business and the way our services are costed, priced and funded? What changes do we need to make?
PEOPLE AND CAPABILITY	How will we attract, recruit and retain staff with the right values, skills and capabilities to support the changing needs of our clients and our business?
INFORMATION KNOWLEDGE AND MANAGEMENT	Do we have the right information management systems in place to respond to the reforms? How will our systems support the necessary changes to our business, clients, operations and finances over the next decade?
SAFEGUARDING, QUALITY MANAGEMENT AND IMPROVEMENT	How do our systems, processes and people help us to maintain and improve our safety, quality and performance? How will we know when we are doing well, or at risk?

Aspire provides the following services to people with a disability:

- Supported Accommodation;
- Children's Respite House;
- Adult Respite House;
- Independent Living with Drop-In Support;
- Early Childhood Intervention;
- Aspiring Lifestyles-Day Programs;
- Respite Options-In home and community;
- Volunteers and family Support.

There have been a number of highlights throughout the year including the following.

Early Intervention

Continued growth of our **early intervention** services with 7 additional staff appointed including:

- 3 Speech pathologists;
- 1 Family support worker;
- 1 Occupational therapist;
- 1 teaching support aide; and
- 1 Educator.

The service has high demand and is acknowledged as a quality service with letters of support received from a number of our partners including Ross Circuit Pre-school and Wewak Special School. Demand for Early Childhood Intervention services has continued to grow over the last few years and we are planning for continued growth in the future.

Supported Accommodation

Supported Accommodation has also had significant growth with the opening of our Andrews Street units for five clients and the commencement of an Out of Home Care (OOHC) program for children.

The OOHC program has been highly complemented by both Community Services and Aspect School with excellent results being achieved for the clients. Job Centre Australia has also been highly complementary of our staff in relation to the partnership we have in place with mutual clients from supported accommodation.

Respite Options, Adult and Children's Respite Houses

Respite options continues to provide critical services for families to have a short break from their caring role and also in case of emergencies. These are high demand services that are greatly appreciated by families.

Aspiring Lifestyles-Day Programs

Aspiring Lifestyles is our largest service with 170 clients. It provides a multitude of services for clients aiming to achieve specific goals through multiple program options. We are currently in the process of transitioning away from block funded services and into an individual model. This year we saw the introduction of an Activity Week which enabled clients to try different and new activities. This week was a huge success and enabled a lot of clients to experience different activities.

Volunteers and Family Support

This program supports over 50 volunteers including the many people who work at the op-shop. Assistance is also provided to various support groups including:

- Asperger Family Network;
- Albury Wodonga Down Syndrome Family Network;
- Attention Deficit/Hyperactivity and/or Oppositional Defiant Disorder and related conditions Support group.

The commitment and dedication of our staff is of an exceptionally high standard and they are to be highly commended especially considering the many complexities and challenges they face on a daily basis.

The transition to the NDIS will create many challenges but Aspire is well positioned to meet the demands that the changes will bring to the way we provide services.

Trevor Cowell
General Manager-Operations

Service Hours Delivered Financial Year 2014/2015	
Early Intervention	6719
Flexible Respite (RO)	17873
CB Respite - Adult House	32847
CB Respite - Children's House	30668
Day Programs	132573
Supported Accommodation and Drop In Support	29248

Corporate Services

The 2014 – 2015 year has provided many challenges as well as many great achievements.

Restructure

Aspire undertook a restructure toward the end of 2014. The purpose of the restructure was to transition the organisation to a “fit for purpose structure” with the objective of readying and driving Aspire through the major reform affecting our Industry.

In January 2015, the new structure was implemented. This change saw the reduction of the Director positions to allow for a more streamlined, less hierarchal Management structure. This new structure saw the introduction of two new General Manager Positions: GM – Corporate Services and GM – Operational Services.

A significant amount of recruitment was undertaken to fill all new positions of the new structure to ensure we have the workforce capacity to sustain our wide range of services. Our recruitment practices are robust and ensure that we get the best person for the job.

The new structure was complete with all positions fully filled by the second quarter of 2015, and is operating as intended.

The new structure allows better decision making capabilities, provides more clarity around roles and allows more staff in needed positions.

Quality and Compliance Audit – Global Mark

In the last quarter of 2014, Aspire underwent an independent Quality and Compliance Audit facilitated by Global Mark. Early in 2015 Aspire achieved competency in all areas of the Audit and received a Certificate of Approval from Global Mark. This Certification confirmed Aspire's compliance to the requirements of both Victorian and New South Wales funding bodies.

There is a growing awareness and expectation in our industry and the community in general that everyone deserves a safe workplace, a safe environment and a quality product that meets expectations.

Compliance standards are designed to provide a framework within organisations that aim to assist in the identification of any hazards, issues or processes and the quantification of risks, by putting control methods in place to eliminate, reduce and control these risks.

Certification also ensures that stakeholders and the community feel confident about an organisation.

Workforce and Staff Training

Our success is measured by our people and much work has been done to prepare our workforce for the shift in paradigm within our industry.

We continue to invest in our people; we have a number of employees rounding off their practical skills with formal qualifications by undertaking various training including Certificate IV in Disability.

We have also provided the following training as well as a number of in-house training programs that are specific to the job:

- Person Centred Approach
- Motivational Interviewing
- Inclusive Communication and Behaviour Support
- Non Crisis Intervention (NCI)
- Cultural and Linguistic Diversity (CALD)
- Change Leadership
- Psychosocial Leadership
- DISC
- First Aid
- Mandatory Reporting

Safety and Wellbeing

A major focus has been to establish a culture of safety and well being in all areas of Aspire. These past 12 months have been busy ensuring the organisations ongoing compliance with the legislation. Our industry can be so rewarding, but at times, it can also be very challenging. We recognise this, and are 100% committed to our employee's health and wellbeing. Aspire continues to offer an Employee Assistance Program. The uptake of the program is testament that the program works and has a positive effect on staff moral and staff's ability to cope when under pressure.

The Aspire to Life Committee has also been very proactive in providing a number of health and wellbeing initiatives, and continues to excel and gain achievement awards from government recognition programs.

Conclusion

I would like to take this opportunity to thank all of our staff at Aspire. The road travelled this year has been extremely challenging, but our staff continue to strive for excellence and provide quality to support to both our community and each other. The year that was has set the scene and put us in good stead for the year to come. It is exciting times ahead as we set sail into the new world of Disability service provision.

Aspire Support Services Ltd

ABN 26 154 156 215

Financial Statements for the
year ended
30 June 2015

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Directors' report

The Directors present their report together with the financial statements of Aspire Support Services Ltd (the Company) for the year ended 30 June 2015 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the period are:

Wolfgang Schwarz - President Appointed: 8/11/2011 Occupation: Business Manager	Jamie Gay - Vice President Appointed: 2/4/2012 Occupation: School Principal	Noel Sargent - Treasurer Appointed: 8/11/2011 Occupation: Accountant
Kerry May Appointed: 8/11/2011 Occupation: Governance Team Leader	John Garrett Appointed: 26/07/2013 Occupation: Senior Lecturer	Andrew Cottrill Appointed: 8/11/2011 Occupation: IT Manager
Elizabeth Pogson Appointed: 2/4/2012 Occupation: Pre School Teacher	Sue Slater Appointed: 29/7/2014 Occupation: Lecturer	

Company secretary

Kerry May was appointed to the position of Company Secretary 27 November 2012 and continues to act in this capacity post 30 June 2015.

Principal activities

The objects for which the Company is established are:

- To provide services for individuals or groups of individuals with intellectual and/or physical disabilities;
- To provide services to disadvantaged members of the community such as, the aged, youth groups or other groups as the Directors may identify from time to time;
- To subscribe to, become a member of and co-operate with any other association or organisation, whether incorporated or not, whose objectives are similar;
- To study, and where thought fit, report on any initiatives or legislative changes; and
- To acquaint the public with the services and aims of the organisation.

Directors' report (continued)

Indemnification and insurance of officers and auditors

The Company has agreed to indemnify its Directors and Officers in respect of liabilities that may arise from their position as directors and officers of the Company. The Company has not indemnified its auditors, Crowe Horwath Albury.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial period are:

	Ordinary Board Meetings	
	No. of Meetings Attended	No. of Meetings Held*
Wolfgang Schwarz	7	9
Jamie Gay	6	9
Noel Sargent	8	9
Kerry May	7	9
John Garrett	8	9
Andrew Cottrill	8	9
Elizabeth Pogson	7	9
Sue Slater	6	9

* reflects the number of meetings held during the time the Director held office during the period.

Review of operations

The net loss attributed to the entity for the year ended 30 June 2015 was \$479,246.

Dividends

The Company is a non-profit public company limited by guarantee and is prevented 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 that occurred during the financial period under review, not otherwise disclosed in this report or the financial statements.

Directors' report (continued)

Short and long term objectives

The short term objectives of the Company are:

- Build capability to operate in a NDIS environment

The long term objectives of the Company are:

- Quality Services
- Sustainability in a competitive market
- Improve the quality of life for people with a disability in our community

Likely developments

There are no significant likely developments not otherwise disclosed in this report.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the financial year ended 30 June 2015.

Directors' benefits

During or since the end of 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 remuneration paid or payable to the Directors as shown in the general purpose financial statements) by reason of a contract entered into by the Company with:

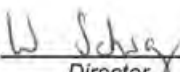
- a Director,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest.

Directors' report (continued)

Members guarantee

The Company is limited by guarantee. If the Company is wound up, clause 10 of the Constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Company. As at 30 June 2015 the number of members was 8.

This report is made with a resolution of the Directors:



Director



Director

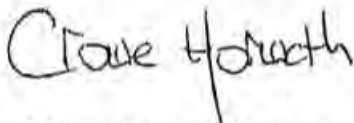
Dated at Albury this 27th day of October 2015.

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER THE AUSTRALIAN CHARITIES AND NON-FOR-PROFITS COMMISSION ACT
2002**


To: the Directors of Aspire Support Services Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2002* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



CROWE HORWATH ALBURY



BRADLEY D BOHUN
Partner

Dated at Albury this 27th day of October 2015.

Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Income	2	10,322,526	9,697,633
Expenditure		(10,931,985)	(10,166,346)
Net financing income	4	130,213	117,020
Result for the period		(479,246)	(351,693)
Other comprehensive income		797,352	2,713,568
Total comprehensive income for the year		318,106	2,361,875

Statement of changes in equity for the year ended 30 June 2015

	Retained Earnings \$	Asset Revaluation Reserve \$	Equity \$
Balance at 1 July 2013	3,665,705	-	3,665,705
Surplus/(deficit) for the year	(351,693)	-	(351,693)
Other comprehensive income	2,713,568	-	2,713,568
Balance at 30 June 2014	6,027,580	-	6,027,580
Balance at 1 July 2014	6,027,580	-	6,027,580
Surplus/(deficit) for the year	(479,246)	-	(479,246)
Other comprehensive income	-	797,352	797,352
Balance at 30 June 2015	5,548,334	797,352	6,345,686

The above statements should be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 19.

Statement of financial position as at 30 June 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	5	1,361,338	2,043,534
Trade and other receivables	6	286,225	169,237
Investments	7	2,146,777	2,069,993
Other assets	8	447,152	443,679
Total Current Assets		4,241,492	4,726,443
Non Current Assets			
Property, plant and equipment	9	5,139,928	4,386,522
Total Non Current Assets		5,139,928	4,386,522
Total Assets		9,381,420	9,112,965
Current Liabilities			
Trade and other payables	10	582,382	629,183
Other liabilities	11	1,460,991	1,582,814
Interest bearing liabilities	12	102,260	55,872
Employee benefits	13	462,886	453,688
Total current liabilities		2,608,519	2,721,557
Non-current liabilities			
Interest bearing liabilities	12	162,449	149,968
Employee benefits	13	264,766	213,860
Total non-current liabilities		427,215	363,828
Total Liabilities		3,035,734	3,085,385
Net Assets		6,345,686	6,027,580
Equity			
Revaluation Reserve		797,352	-
Retained earnings	14	5,548,334	6,027,580
Total Equity		6,345,686	6,027,580

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 19.

**Statement of cash flows
for the year ended 30 June 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts from customers		11,357,097	10,667,396
Cash paid to suppliers and employees		(11,831,983)	(8,628,565)
Interest received		140,722	120,631
Interest paid		(10,509)	(3,611)
Net cash from operating activities	17	<u>(344,673)</u>	<u>2,155,851</u>
Cash flows from investing activities			
Purchase of investments		(76,784)	(2,042,763)
Purchase of property, plant & equipment		(193,092)	(334,918)
Proceeds from sale of property, plant & equipment		2,727	239,707
Net cash from investing activities		<u>(267,149)</u>	<u>(2,137,974)</u>
Cash flows from financing activities			
Repayment of leases		(70,374)	-
Net cash from financing activities		<u>(70,374)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>(682,196)</u>	<u>223,717</u>
Cash at the beginning of the financial period		2,043,534	1,819,817
Cash at the end of the financial period	5	<u>1,361,338</u>	<u>2,043,534</u>

The statements should of cash flows be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 19.

Notes to and forming part of the financial statements

1. Statement of significant accounting policies

Aspire Support Services Ltd ("the Company" or "Aspire") is a company limited by guarantee domiciled in Australia.

The financial report was authorised for issue by the Directors on 27 October 2015.

a) **Statement of compliance**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2002*.

The financial statements are presented in Australian Dollars.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention and, except where stated, do not take into account changing money values or fair value of assets.

The accounting policies which have been adopted are as set out below.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

b) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is measured on major income categories as follows:

Government grants

Government grants and subsidies are recognised as income in the period to which they relate and not when they are received. Grants received in advance are treated as a liability.

Income is recognised when the Company obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Company and the amount of the contribution can be measured reliably.

Interest revenue

Interest revenue is recognised as it accrues.

Notes to and forming part of the financial statements (continued)

c) Tax

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included on the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating activities.

Income tax

The Company is exempt from income tax.

d) Fixed assets

Items of property, plant and equipment greater than \$1,000 are capitalised at cost or deemed cost less accumulated depreciation.

Items of property, plant and equipment are depreciated/amortised over their estimated useful lives from the date of acquisition. All property, plant and equipment are depreciated/amortised using the straight-line method.

Estimated useful lives for the current and comparative periods are as follows:

• Buildings	40 years
• Motor vehicles	5 years
• Office equipment	2.5 - 5 years
• Plant and equipment	5 - 20 years
• House furniture and fittings	10 years
• Leasehold Improvements	10 years

Assets transferred from Woodstock, Kalparrin and Cooina were reviewed by Directors and book value balances were considered to represent fair value at date of transfer.

As at 30 June 2015 the Company has recognised land and buildings at fair value on the basis of independent valuation.

e) Employee entitlements

Annual leave

The provision for annual leave has been calculated on the basis of pro-rata entitlements under appropriate awards, based on current wage rates and includes related on-costs.

Long service leave

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employee's service provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the Company's experience with staff departures. Related on-costs have also been included in the liability.

Where the Company does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

Notes to and forming part of the financial statements (continued)

1. Statement of significant accounting policies (continued)

f) *Critical Accounting Estimates and Judgements*

The Directors evaluate estimates and judgements incorporated in the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

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 and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 11 – income in advance and grants liabilities and note 9 for value of land and buildings.

Key estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Fair value

The Company has engaged independent property valuers to assist with establishing fair value of land and buildings held by the Company. Per AASB 13 *Fair Value Measurement* fair value has been determined on a highest and best use basis taking into account some of the buildings are specialised in nature.

g) *Business Combinations*

Business combinations occur when the acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any assets or liability resulting from a contingent consideration arrangement is also included. Subsequent settlement is accounted for within equity. Contingent consideration classed as an asset or liability is remeasured each reporting period to fair value, recognising any change in fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Notes to and forming part of the financial statements (continued)

2. INCOME

	2015 \$	2014 \$
Brokerage income	42,200	49,042
Clients	352,783	291,851
Government funding	9,576,433	9,020,296
Other	351,110	336,444
	<u>10,322,526</u>	<u>9,697,633</u>

3. OPERATING RESULTS

The operating result has been arrived at after charging the following items:

Depreciation and amortisation of property, plant & equipment	366,281	360,134
Salaries & wages	7,901,599	7,283,246
	<u>8,267,880</u>	<u>7,643,380</u>

4. NET FINANCING INCOME

Finance income	140,722	120,631
Finance expense	(10,509)	(3,611)
Net financing income	<u>130,213</u>	<u>117,020</u>

5. CASH AND CASH EQUIVALENTS

Cash on hand	1,817	3,144
Cash at bank	1,359,521	2,040,390
	<u>1,361,338</u>	<u>2,043,534</u>

Notes to and forming part of the financial statements (continued)

6. TRADE AND OTHER RECEIVABLES

	2015 \$	2014 \$
Accounts receivable	288,372	171,995
(less provision for doubtful debts)	(29,941)	(38,000)
GST receivable	-	33,802
Other debtors	27,794	1,440
	286,225	169,237

7. INVESTMENTS

Term deposits	2,146,777	2,069,993
	2,146,777	2,069,993

8. OTHER ASSETS

Prepayments	447,152	443,679
	447,152	443,679

9. PROPERTY, PLANT AND EQUIPMENT

Land		
At cost	-	238,300
At valuation	287,043	-
	287,043	238,300
Buildings		
At cost	-	3,594,267
At valuation	4,058,926	-
Accumulated depreciation	-	(165,780)
	4,058,926	3,428,487
Plant and equipment		
At cost	71,080	67,811
Accumulated depreciation	(56,491)	(40,681)
	14,589	27,130
Motor vehicles		
At cost	795,184	665,349
Accumulated depreciation	(411,279)	(261,521)
	383,905	403,828
Office equipment		
At cost	327,587	183,729
Accumulated depreciation	(129,272)	(94,068)
	198,315	89,661

Notes to and forming part of the financial statements (continued)

	2015 \$	2014 \$
House furniture and fittings		
<i>At cost</i>	54,408	41,607
<i>Accumulated depreciation</i>	(25,635)	(15,387)
	28,773	26,220
Leasehold improvements		
<i>At cost</i>	234,716	214,478
<i>Accumulated amortisation</i>	(66,339)	(41,582)
	168,377	172,896
Total property, plant & equipment	5,139,928	4,386,522

Notes to and forming part of the financial statements (continued)

9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant & equipment are set out below:

	Land	Buildings	Plant & Equipment	Motor Vehicles	Office Equipment	House Furniture & fittings	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2013	189,612	3,115,213	50,094	227,563	94,528	32,554	63,657	3,775,931
Additions	238,300	411,833	10,622	332,194	56,442	10,763	150,278	1,210,432
Disposals	(189,612)	-	(12,410)	(13,923)	(2,145)	(7,668)	(13,949)	(239,707)
Depreciation	-	(98,559)	(21,176)	(142,006)	(59,164)	(9,429)	(27,090)	(360,134)
Carrying amount at 30 June 2014	238,300	3,428,487	27,130	403,828	89,661	26,220	172,896	4,386,522
Carrying amount at 1 July 2014	238,300	3,428,487	27,130	403,828	89,661	26,220	172,896	4,386,522
Additions	-	-	3,269	142,169	143,858	12,801	20,238	322,335
Revaluation	48,743	748,609	-	-	-	-	-	797,352
Disposals	-	-	-	-	-	-	-	-
Depreciation	-	(118,170)	(15,810)	(162,092)	(35,204)	(10,248)	(24,757)	(366,281)
Carrying amount at 30 June 2015	287,043	4,058,926	14,589	383,905	198,315	28,773	168,377	5,139,928

An independent valuation was conducted by MVS National Valuations and Property Consulting on 5-8 December 2014 in relation to the year ended 30 June 2015. The valuation was only performed on all properties held except Borella Road. The Borella Road buildings were revalued by way of Directors valuation using the open market as they were purchased in the 2013 financial year as an underlying basis of fair value. The valuation was determined, as per AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Notes to and forming part of the financial statements (continued)

10. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade creditors and accruals	502,254	535,526
Other current liabilities	1,152	31,140
Salary Sacrifice	(1,515)	(527)
Superannuation payable	(3,391)	57,456
Visa	3,199	5,588
GST payable	80,683	-
	<u>582,382</u>	<u>629,183</u>

11. OTHER LIABILITIES

Income in advance	999,348	940,822
Grants liabilities	461,643	550,619
Other funding	-	91,373
	<u>1,460,991</u>	<u>1,582,814</u>

The terms and conditions of funding agreements were reviewed and those agreements deemed to be non reciprocal transfers are accounted for under AASB 1004 *Contributions*. Those deemed to be reciprocal transfers are accounted for under AASB 118 *Revenue*.

12. INTEREST BEARING LIABILITIES

	2015 \$	2014 \$
<i>CURRENT</i>		
Hume Bank loan	1	1
Leased assets	102,259	55,871
	<u>102,260</u>	<u>55,872</u>
<i>NON-CURRENT</i>		
Hume Bank loan	-	-
Leased assets	162,449	149,968
	<u>162,449</u>	<u>149,968</u>

Notes to and forming part of the financial statements (continued)

13. EMPLOYEE BENEFITS

	2015 \$	2014 \$
CURRENT		
Annual leave	332,071	274,059
Long service leave	130,815	179,629
	<u>462,886</u>	<u>453,688</u>
NON-CURRENT		
Annual Leave	99,028	99,363
Long service leave	165,738	114,497
	<u>264,766</u>	<u>213,860</u>

14. RETAINED EARNINGS

	2015 \$	2014 \$
Balance at beginning of the year	6,027,580	3,665,705
Profit/(loss) for the period	(479,246)	(351,693)
Other comprehensive income	-	2,713,568
Retained profit at end of the year	<u>5,548,334</u>	<u>6,027,580</u>

Other comprehensive income during the financial year ended June 2014 relates to the close out of loan balances with Woodstock, Kalparrin and Cooida (previous business combinations), as well as assets transferred from Community Options Brokerage Service Incorporated.

15. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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, except for:

16. RELATED PARTIES

Andrew Cottrill is the General Manager at Anittel, Aspire's IT provider. This contract was entered into in 2010 through tender, and before Andrew became the General Manager.

Noel Sargent (Treasurer) works at Johnson's MME, who provide accounting support to Aspire under normal business terms.

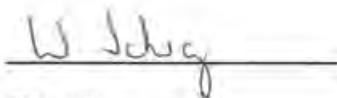
Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests at year end.

Director's declaration

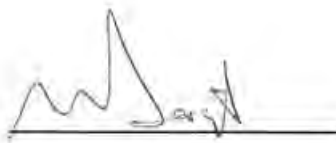
In the opinion of the Board, the financial statements are in accordance with the *Australian Charities and Not-for-profits Commission Act 2002* and comply with Australian Accounting Standards - Reduced Disclosure Requirements including:

1. Presenting a true and fair view of the financial position of Aspire Support Services Ltd as at 30 June 2015 and its performance for the financial period ended on that date; and
2. At the date of this statement, there are reasonable grounds to believe that Aspire Support Services Ltd will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board.



Chairman



Treasurer

Dated at Albury this 27th day of October 2015.

Notes to and forming part of the financial statements (continued)

17. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash from operating services

	2015 \$	2014 \$
Operating profit/ (loss)	(479,246)	(351,693)
Add/ (less) non cash items		
Depreciation & amortisation	366,281	360,134
(Profit)/loss on sale of property, plant and equipment	(2,727)	1,838,054
Net cash from operating activities before change in assets and liabilities	<u>(115,692)</u>	<u>1,846,495</u>
Changes in assets/ liabilities during the financial year		
(Increase)/decrease in receivables	(116,888)	45,041
(Increase)/decrease in other assets	(3,473)	16,179
Increase/(Decrease) in provision	60,104	313,714
Increase/(Decrease) in payables	(168,624)	(65,578)
Net cash from/ (utilised in) operating activities	<u>(334,673)</u>	<u>2,155,851</u>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPIRE SUPPORT SERVICES LTD

SCOPE

We have audited the accompanying financial statements of Aspire Support Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes and the directors declaration.

BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with *Australian Charities and Not-for-profits Commission Act 2002* and Australian Accounting Standards – Reduced Disclosure Requirements. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. 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 statements.

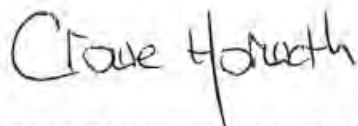
We performed the procedures to assess whether in all material respects the financial statements present fairly, in accordance with the *Australian Charities and Not-for-profits Commission Act 2002* and Australian Accounting Standards – Reduced Disclosure Requirements, a view which is consistent with our understanding of the Company's financial position and of its performance.

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

AUDITOR'S OPINION

In our opinion the financial statements of Aspire Support Services Ltd are in accordance with the *Australian Charities and Not-for-profits Commission Act 2002*, including:

- (i) 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
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements.



CROWE HORWATH ALBURY



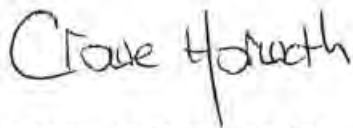
BRADLEY D BOHUN
Partner

Dated at Albury this 27th day of October 2015.

DISCLAIMER

The additional financial data presented on pages 24 to 25 is in accordance with the books and records of Aspire Support Services Ltd which have been subjected to the auditing procedures applied in our audit of the Aspire Support Services Ltd for the period ended 30 June 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

**CROWE HORWATH ALBURY****BRADLEY D BOHUN**
Partner

Dated at Albury this 27th day of October 2015.

**Detailed income and expenditure statement
 For the year ended 30 June 2015**

	2015 \$	2014 \$
Income		
Brokerage income	42,200	49,042
Clients	352,783	291,851
Donations	2,771	3,975
Government funding	9,576,433	9,020,296
Oaks Day	21,598	23,170
Op-shop income	73,202	67,111
Rent	20,581	40,389
Gain on sale of assets	2,727	41,027
Other	230,231	160,772
	<hr/>	<hr/>
Total income	10,322,526	9,697,633
Less: expenditure as per statement	(10,931,985)	(10,166,346)
	<hr/>	<hr/>
Interest income	140,722	120,631
Interest expense	(10,509)	(3,611)
Net financing income	130,213	117,020
	<hr/>	<hr/>
Operating surplus/(deficit)	(479,246)	(351,693)

**Detailed income and expenditure statement
 For the year ended 30 June 2015 (continued)**

	2015 \$	2014 \$
Expenditure		
Advertising and promotion	15,253	9,987
Accounting, audit and bookkeeping	17,364	24,375
Activities	60,199	239,816
Bad debts	26,806	38,000
Brokerage	740,435	703,555
Computer, server, phone and fax expenses	213,109	234,956
Consultancy fees	15,309	11,408
Depreciation	366,281	360,134
Employee expenses	7,901,599	7,283,246
General and administrative	78,652	81,630
Legal fees	69,718	12,824
Management fees	3,500	-
Motor vehicle expenses	201,099	206,920
Postage	9,988	10,402
Printing and stationary	107,800	94,886
Rent & Lease expense	140,378	99,311
Repairs & maintenance	100,765	109,888
Travel and accommodation	33,554	28,184
Other	830,176	616,824
Total expenditure	10,931,985	10,166,346