

**KEY EMPLOYMENT ASSOCIATION INCORPORATED**  
**STATEMENT OF CASHFLOWS**

<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
Receipts	1 267 650	1 201 589
Interest Received	-	1 203
Payments	(1 044 654)	(1 167 065)
<b>Net Cash provided by/(used in) Operating Activities</b> (Refer Note b)	<b>222 996</b>	<b>35 727</b>
 <b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Proceeds from Sale of Investments	92 486	51 434
Payment for Motor Vehicles & Equipment	(140 893)	(121 620)
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>(48 407)</b>	<b>(70 186)</b>
Net Increase/(Decrease) in Cash held	174 589	(34 459)
Cash at Beginning of financial year	17 224	51 683
<b>Cash at End of Financial Year</b> (Refer Note a)	<b>\$ 191 813</b>	<b>\$ 17 224</b>

**NOTES**

## a) Reconciliation of Cash

Petty Cash	600	550
Metway Bank	191 203	16 664
Bananacoast Credit Union	10	10
	<b>\$ 191 813</b>	<b>\$ 17 224</b>

## b) Reconciliation of Cash Flow from Operations with Operating Result

Operating Profit/(Loss)	89 827	(70 652)
Non-Cashflows in Operating Result		
Depreciation	81 651	85 875
Profit on Realisation of Assets	(10 936)	(5 080)
Changes in Assets and Liabilities		
Receivables & Prepayments	(Increase)Decrease 2 022	29 975
Subsidies	Increase(Decrease) -	(39 900)
Creditors	Increase(Decrease) 35 249	9 296
Prov for Employee Entitlements	Increase(Decrease) 19 457	21 664
GST Accrual	Increase(Decrease) 5 726	4 549
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 222 996</b>	<b>\$ 35 727</b>

**KEY EMPLOYMENT ASSOCIATION INCORPORATED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

These financial statements are a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act. The committee has determined that the association is not a reporting entity and therefore, as there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements in the preparation and presentation of these statements, they have been adopted only to the extent shown in Note 1 to the accounts.

The following Accounting Standards have been applied:

AAS 1	Statement of Financial Performance
AAS 4	Depreciation of Non-Current Assets
AAS 5	Materiality
AAS 8	Events Occurring After Balance Date
AAS28	Statement of Cashflows

The statements have been prepared in accordance with the requirements of the Associations Incorporations Act. The statements are prepared on an accrual basis of accounting including the historical cost convention and going concern assumptions.

The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the significant accounting policies adopted by the association in the preparation of the financial statements.

**a) Government Subsidies**

Government subsidies for operational expenditure are recognised as part of operating income on an accrual basis.

Subsidies received from government departments to assist with the purchase of capital items are treated as capital grants. Assets acquired with the grants are depreciated over the useful life of the asset.

**b) Fixed Assets**

The depreciable amount of all fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

**c) Employee Benefits**

Provision is made in respect of the association's liability for employee entitlements at balance date and measured at the current value of the expected future liability.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**d) Income Tax**

The Association is recognised as a public benevolent institution and under current legislation is exempt from Income Tax.

**KEY EMPLOYMENT ASSOCIATION INCORPORATED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**NOTE 2: CONTINGENT LIABILITY**

Under the terms and conditions of Commonwealth Government Grants, the Commonwealth holds equity in equipment acquired wholly or partly with grant monies.

The extent of the association's liability can only be determined at the time of disposal of the asset.

**NOTE 3: CASH ON HAND**

	<b><u>2005</u></b>	<b><u>2004</u></b>
Petty Cash	600	550
Metway Bank	191 203	16 664
BCCU General Account	10	10
	<u>\$ 191 813</u>	<u>\$ 17 224</u>

**NOTE 4: PLANT & EQUIPMENT**

	<b><u>2005</u></b>	<b><u>2004</u></b>
Office Equipment	146 703	183 039
Accumulated Depreciation	(56 029)	(72 754)
Motor Vehicles	279 650	283 427
Accumulated Depreciation	(81 712)	(82 792)
	<u>\$ 288 612</u>	<u>\$ 310 920</u>



# The Accounts Explained

## Statement of Financial Performance (what we spent)

	This Year	Last year
<b>This year we got That's our Income.</b>	<b>\$1, 205, 350</b>	<b>\$ 1, 111, 808</b>
<b>It comes mainly from:</b>		
our grant from the Dept	\$ 472,602	\$ 455,315
last year grant	\$ -	\$ 32,400
Wage Subsidy	\$ 121,294	\$ 152,387
Supported Wages	\$ 10,767	\$ 18,175
Case Based Funding	\$ 578, 447	\$ 444,413
<b>We spent That's our Expenses.</b>	<b>\$1,115, 523</b>	<b>\$ 1, 182, 460</b>
<b>Most of this was:</b>		
wages/super	\$ 534, 339	\$ 601, 660
rent	\$ 67, 580	\$ 61, 576
running the cars/equipment	\$ 153, 848	\$ 136, 876
office costs	\$ 201,418	\$ 158, 887
consumer groups	\$ 3, 529	\$ 3, 179
<b>When we take our expenses from our income we get a profit of</b>	<b>\$ 1, 115, 523 \$ 1, 205, 350 \$ 89, 827</b>	<b>\$ 1, 182, 460 \$ 1, 111, 808 \$ - 70, 652</b>

This is an excellent result. It means we have managed our funding well and have kept some money to help more people get jobs next year. As you can see we have fully recovered from the loss of last year after we moved into the new Coffs office.

This Statement is a good guide to how we make our money and what we spend it on. Its easy to see from the summary above that the funds were used to find jobs for our clients and a more detailed view is shown in the auditors report. Over the page the Balance Sheet shows us what we own and what we owe. It helps to show us if we can pay our bills.

# The Accounts Explained



## The Balance Sheet The Statement of Financial Position (what we're worth)

<b>At the 30th of June we had:</b>	<b>This Year</b>	<b>Last Year</b>
equipment, cars and cash worth	\$ 486, 325	\$ 336, 066
<b>These are our Assets.</b>		
<b>They are mainly made up of:</b>		
Money in the bank	\$ 191, 813	\$ 17, 224
Cars and equipment	\$ 288, 612	\$ 310, 920
Money owed to us	\$ 5, 900	\$ 7, 922
<b>We also had bills worth</b>	<b>\$ 209, 150</b>	<b>\$ 148, 718</b>
<b>These are our Liabilities.</b>		
<b>These are mainly made up of:</b>		
Staff holidays	\$ 59, 262	\$ 66, 899
Long service leave	\$ 70, 571	\$ 43, 477
Grant Funds for next year	\$ 0	\$ 0
<b>The difference between our assets and our liabilities is how much we are worth.</b>		
	<b>This is our Equity and is:</b>	
	\$ 277, 175	\$ 187, 348



It shows good growth from last year with plenty of money in the bank. It is clear that we can pay our debts when they fall due and that we are in a very good position to run the Association for the next financial year.

The Treasurer of our Association is John Newell. He knows a lot about business and he gets the figures ready at the end of each financial year. Then an independent company checks this and tells us if we made any mistakes. This is our Audit. The audit report is included in The Annual Report.

# **KEY** **Employment**

## *Quality Policy*

***A statement about our commitment to quality and how we will maintain our quality standards.***

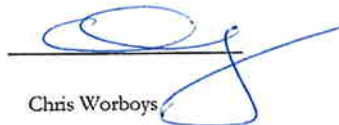
Key Employment provides employment counseling and training services to people with a disability. We aim to always achieve consumer satisfaction by meeting the needs wants and desires of our clients. We strive to find out these needs wants and desires and together with our clients seek to make individual plans based on them.

We believe our quality system is a cornerstone of our success and we are committed to the on going development of this system so that it can provide the processes that lead to consistent quality services for all of our clients.

Our Quality system has been developed with the aid of ACIS and is based on The International Standard ISO 9001 and Family and Community Services Disability Standards 2002. We are committed to ongoing improvements in all areas and to the maintenance at the very least of these standards. This commitment is given in recognition that our service is based on a total quality management system.



Marie Callinan  
Chairperson



Chris Worboys  
Manager



JAS-ANZ



Be sure to visit our Web site at  
[www.keyemployment.com.au](http://www.keyemployment.com.au)

**Key Employment Association Incorporated is funded  
by the Department of Family and Community Services.**