

BREAKAWAY TOOWOOMBA INC
ABN 28 208 514 271

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

BREAKAWAY TOOWOOMBA INC

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

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BREAKAWAY TOOWOOMBA INC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<u>Income from Continuing Operations</u>		
Government Funding & Subsidies	2,071,517	1,619,435
Fees	70,698	59,966
Fees Written Off	(3,423)	(3,595)
Brokerage Funds	287,752	157,786
Donations	151,573	16,737
Interest Received	14,352	13,573
Provision of Serviced Office	35,000	17,232
Training Subsidy	-	-
Profit on Sale of Assets	2,273	7,689
Sundry Income	8,436	2,603
Total Income from Continuing Operations	2,638,178	1,891,426
<u>Expenses from Continuing Operations</u>		
Employment Expenses	1,671,966	1,419,811
Accounting & Audit	5,900	5,900
Advertising & Promotion	12,044	6,017
Bank Charges	1,281	1,476
Borrowing Expenses	-	1,768
Client Activities	23,731	7,402
Computer Software & Support	12,052	9,099
Consultancy Fees	7,691	-
Conference Fees	7,600	10,338
Depreciation	65,962	46,638
DSQS Quality Assurance	6,647	3,540
Equipment Hire	2,987	1,374
Equipment & Medical Services Funded	5,570	6,972
Household Supplies, Accommodation & Meals	26,882	17,335
Insurance	18,448	7,250
Interest Expense	-	1,466
Legal & Professional Fees	6,705	35,556
Motor Vehicle & Travelling Expenses	53,777	40,645
Printing, Postage & Stationery	19,824	14,303
Rates, Water & Electricity	15,545	11,622
Rent & Use of Serviced Office	54,818	59,549
Repairs & Maintenance	25,979	17,050
Staff & Meeting Expenses	5,741	11,517
Staff & Volunteer Training	6,932	6,158
Telephone & Internet Expenses	16,125	13,469
Client Brokerage	181,364	118,691
Other Operating Expenses	31,233	22,799
Total Expenses from Continuing Operations	2,286,804	1,897,745
Net Profit/(Loss) from Continuing Operations	351,374	(6,319)
Other Comprehensive Income	-	-
Total Comprehensive Income	351,374	(6,319)

BREAKAWAY TOOWOOMBA INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash	4	861,071	363,983
Receivables	5	53,651	38,574
Prepaid Expenses	6	15,332	14,232
TOTAL CURRENT ASSETS		<u>930,054</u>	<u>416,789</u>
NON CURRENT ASSETS			
Fixed Assets	7	1,185,788	1,133,925
TOTAL NON CURRENT ASSETS		<u>1,185,788</u>	<u>1,133,925</u>
TOTAL ASSETS		2,115,842	1,550,714
CURRENT LIABILITIES			
Capital Grants	8	42,873	50,850
Creditors & Accruals	9	551,996	350,843
TOTAL CURRENT LIABILITIES		<u>594,869</u>	<u>401,693</u>
NON CURRENT LIABILITES			
Long Term Liabilities	10	285,739	265,161
TOTAL NON CURRENT LIABILITES		<u>285,739</u>	<u>265,161</u>
TOTAL LIABILITIES		880,608	666,854
NET ASSETS		<u>1,235,234</u>	<u>883,860</u>
MEMBER FUNDS			
Retained Profits		1,235,234	883,860
TOTAL MEMBER FUNDS		<u>1,235,234</u>	<u>883,860</u>

BREAKAWAY TOOWOOMBA INC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Accumulated Suplus		Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance as at 1 July	883,860	890,179	883,860	890,179
Operating Result from Continuing Operations	351,374	(6,319)	351,374	(6,319)
Total Other Comprehensive Income	-	-	-	-
Balance as at 30 June	1,235,234	883,860	1,235,234	883,860

BREAKAWAY TOOWOOMBA INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1981. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act 1981 and the following Australian Accounting Standards:

AASB 1031 Materiality

AASB 1002 Events Occuring After Balance Sheet Date

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where stated, current valuations of non current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report.

(a) Income tax

The Association has been endorsed by the Australian Taxation Office as a Public Benevolent Institution. As a result, its income is exempt from Income Tax.

(b) Fixed Assets

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The Association owns land and buildings in Highfields and at Mort Street and land in Bridge Street Toowoomba. The combined land and buildings are considered to be a resource component. No depreciation or impairment write down for these has been considered necessary nor charged in the financial accounts.

(c) Employee Benefits

Provision has been made for employee entitlements to Annual Leave and Long Service Leave accrued but not taken at the year end. All liabilities are measured on a nominal basis using the current rate of pay of the employee.

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

(d) Income in Advance

Income from grants where there is an obligation to repay any unexpended portion has been recognised as a liability at year end.

Where a capital grant has been received and used to buy depreciating assets, the income from that grant is brought to account over the life of the asset purchased.

Note 2: Mortgages and Securities

The Association has a mortgage charge over land at Highfields and the property purchased at Mort Street. This loan facility is on an interest only basis for three years then converting to a principal and interest loan over the remaining twelve years of the loan. With this exception, there are no mortgages or charges over the property, plant or equipment of the Association.

Note 3: Bridge Street Development Project

The committee has determined that all legal and professional expenses incurred in respect of the proposed future development of the land owned by the Association at 461B Bridge Street should be brought to account in the year that it is incurred.

BREAKAWAY TOOWOOMBA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Cash on Hand	400	260
Cash at Bank	45,771	7,127
Cash on Short Term Deposit	814,900	356,596
	<u>861,071</u>	<u>363,983</u>
Note 5: Receivables		
Trade Debtors	52,033	32,963
Security Deposit (Power & Rental Bonds)	1,610	1,610
Other Debtors	8	4,001
	<u>53,651</u>	<u>38,574</u>
Note 6: Prepaid Expenses		
Prepaid Insurance	15,332	14,232
	<u>15,332</u>	<u>14,232</u>
Note 7: Fixed Assets		
Land, Buildings & Property Improvements		
Cost	971,172	894,767
Less Accumulated Depreciation	(18,030)	(13,339)
	<u>953,142</u>	<u>881,428</u>
Motor Vehicles		
Cost	230,570	234,703
Less Accumulated Depreciation	(91,979)	(75,877)
	<u>138,591</u>	<u>158,826</u>
Office Furniture & Fittings		
Cost	37,628	34,060
Less Accumulated Depreciation	(32,256)	(30,205)
	<u>5,372</u>	<u>3,855</u>
Plant & Equipment		
Cost	136,176	115,208
Less Accumulated Depreciation	(61,060)	(39,411)
	<u>75,116</u>	<u>75,797</u>
Furniture and Fittings		
Cost	27,254	24,702
Less Accumulated Depreciation	(17,143)	(14,682)
	<u>10,111</u>	<u>10,020</u>
Activity & Recreation Equipment		
Cost	7,063	7,063
Less Accumulated Depreciation	(3,607)	(3,064)
	<u>3,456</u>	<u>3,999</u>
	<u>1,185,788</u>	<u>1,133,925</u>
Note 8: Capital Grants		
Capital Grants	53,181	53,181
Accumulated Write Off	(10,308)	(2,331)
	<u>42,873</u>	<u>50,850</u>

BREAKAWAY TOOWOOMBA INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Trade Creditors	48,243	72,179
PAYG & GST Payable	65,493	33,571
Superannuation	32,359	25,096
Income Received in Advance	245,873	129,354
Provision for Employee Benefits	48,893	38,443
Accrued Expenses	19,629	1,557
Accrued Wages	86,353	44,668
Other Amounts Payable	5,153	5,975
	<u>551,996</u>	<u>350,843</u>
Note 10: Long term Liabilities		
Loan Account - Secured	250,000	250,000
Provision for Employee Benefits	35,739	15,161
	<u>285,739</u>	<u>265,161</u>

Note 11: Commitments under Operating Leases

The Association has a short term rental agreement over one of the properties that it occupies. The lease is for a fixed term of twelve months with fixed rentals over the same period. As at 30 June 2010 the Association's liability in respect of this lease was \$2,380 being the rent due for the remaining term of the lease.

BREAKAWAY TOOWOOMBA INC

STATEMENT BY THE MEMBERS OF THE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2010

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 6:

1. Presents a true and fair view of the financial position of Breakaway Toowoomba Inc as at 30 June 2010 and of its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Breakaway Toowoomba Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chairman Paul E Devine Paul E Devine

Treasurer Anthony Homen Anthony Homen

Dated this 19th day of August 2010

BREAKAWAY TOOWOOMBA INC
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
BREAKAWAY TOOWOOMBA INC

Gold Coast
18 Carrara Street
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Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Breakaway Toowoomba Inc, which comprises the balance sheet as at 30 June 2010 and income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Toowoomba
146 Mort Street
Toowoomba, QLD 4350

Committee's Responsibility for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 of Queensland and are appropriate to meet the needs of the members. The committee's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is 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.

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WHK Audit & Assurance
94 495 774 523

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act 1981 of Queensland. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

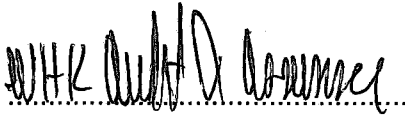
In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Qualification

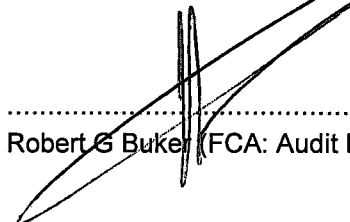
As is common for organisations of this type, it is not practicable for the association to maintain an effective system of internal control over donations, subscriptions and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fund raising was limited to the entries recorded.

Qualified Auditor's Opinion

In our opinion, apart from the matter above, the financial report of Breakaway Toowoomba Inc presents fairly, in all material respects, the financial position of Breakaway Toowoomba Inc as of 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.


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WHK Audit & Assurance

Dated 24 August 2010


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Robert G Buker (FCA: Audit Principal)