

FIFTH

**ANNUAL
REPORT**

2016



QC 0318

Established 2011

REGISTERED OFFICE

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QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' REPORT

Your Directors submit their report together with the financial report of Queensland Lifestyle Cooperative Limited and the consolidated financial report of the consolidated entity, being the Cooperative and its controlled entities, for the year ended 30 June 2016 and the Audit Report thereon.

DIRECTORS:

The names of the Directors holding office from 1 July 2016 until the date of this report are:

KEVIN DOODNEY	Real Estate Agent
TERRY EDWARD STONE	Finance Consultant
ROBERT PAUL EADIE	Administration Manager (Construction)
DAVID MICHAEL MITCHELL	Managing Director (Development)
LEONARD TIMOTHY O'MARA	Finance Consultant

ATTENDANCE AT DIRECTORS' MEETINGS:

	<u>ELIGIBLE</u>	<u>ATTENDED</u>
KEVIN DOODNEY	4	4
TERRY EDWARD STONE	4	4
ROBERT PAUL EADIE	4	4
DAVID MICHAEL MITCHELL	4	4
LEONARD TIMOTHY O'MARA	4	4

PRINCIPAL ACTIVITIES:

The Principal activity of the Cooperative during the year was the development of residential housing in Australia. There has been no significant change in the nature of this activity during the year.

OPERATIONAL RESULTS:

The Cooperative's net profit for the financial year after provision for income tax was:

Year Ended	Year Ended
30 June 2016	30 June 2015
\$	\$
<u>1,343</u>	<u>2,856</u>

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS:

During the year the Cooperative continued to seek opportunities to develop residential housing in Australia..

DIVIDEND:

No dividend was recommended by the Directors nor provided for as at 30 June 2016 (2015 – Nil).

STATE OF AFFAIRS/EVENTS SUBSEQUENT TO BALANCE DATE:

There are no events have arisen during the financial year or since the end of the financial year that has significantly affected or may significantly affect the operations of the Cooperative, the result of those operations and/or the state of affairs of the Cooperative in future financial years;

The Cooperative has been able to pay its debts.

DIRECTORS' INTERESTS:

No Director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the Cooperative with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements.

DIRECTORS' AND AUDITOR'S INDEMNIFICATION:

The Cooperative has not, during the financial year, in respect of any person who is or has been an officer or an auditor of the Cooperative or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against liability, including costs and expenses in successfully defending legal proceedings that by law would otherwise attach to the officer or auditor for negligence, default, breach of duty or breach of trust of which the officer or auditor may be guilty in relation to the Cooperative: or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed at Brisbane, in accordance with a resolution of Directors 12th day of January 2017.



DAVID MICHAEL MITCHELL
(Director)



LEONARD TIMOTHY O'MARA
(Director)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Queensland Lifestyle Cooperative Limited, which comprises the statement of financial position as at 30 June 2016, and the statement of financial performance for the year then ended, a statement of cash flows, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company 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 appropriate to meet the requirements of the *Cooperatives Act 1997* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control 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.

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 judgment, 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 directors, 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 directors' financial reporting under the *Cooperatives Act 1997*. 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 *Cooperatives Act 1997*.

Auditor's Opinion

In our opinion the financial report of Queensland Lifestyle Cooperative Limited is in accordance with the *Cooperatives Act 1997*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the regulations of the *Cooperatives Act 1997*.



Brian Bower RCA 3906

BNB AUDIT PARTNERS

Date: 9 January 2017

**Level 1/128 Kortum Drive Burleigh Heads
Qld 4220**

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Queensland Lifestyle Cooperative Limited

- (a) The financial statements and notes, as set out on pages 6 to 11, are in accordance with the Cooperatives Act 1997, including:
- (i) giving a true and fair view of the financial position of the Cooperative (and the consolidated entity) as at 30 June 2016 and of their performance, for the year ended on that date, and
 - (ii) complying with Accounting Standards
- (b) there are reasonable grounds to believe that the Cooperative will be able to pay its debts as when they become due and payable.

Signed at Brisbane, in accordance with a resolution of Directors the 12th day of January 2017.



DAVID MICHAEL MITCHELL
(Director)



LEONARD TIMOTHY O'MARA
(Director)

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016

Cooperative's Financial Performance	NOTE	2016	2015
		\$	\$
<u>INCOME:</u>			
Annual Subscriptions		8,400	
QLCL Fund - General Recovery Fee		25,000	5,000
Cost of Fee Income		(9,256)	(500)
Fee Income Earned		15,744	4,500
TOTAL INCOME		24,144	4,500
<u>EXPENSES:</u>			
Accounting Fee			
Advertising & Marketing Fees			
Audit Fee		630	300
Bank Charges		140	120
Computer Expenses			
Contingency			
Director's Fees			
Directors' Expenses & Costs		1,000	
Equipment Lease			
Interest			
Legal Fees and Charges		18,388	
Management Fees			
Printing Postage & Stationery		1,123	
Rent & Outgoings			
Statutory Fees		374	
Sundry Expenses			
Telephone			
Travel Expenses			
Write-offs & Adjustments			
TOTAL EXPENSES		21,655	420
NET PROFIT(LOSS) FOR THE YEAR		2,489	4,080
INCOME TAX FOR YEAR		1,146	1,224
NET PROFIT (LOSS) AFTER INCOME TAX		1,343	2,856
RETAINED EARNINGS (LOSSES) AT BEGINNING OF YEAR		2,937	81
Adjustment of Prior Years Retained Earnings	7	(1,500)	
Adjustment for Cancelled Shares		4	
RETAINED EARNINGS (LOSSES) AT END OF YEAR		2,784	2,937

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2016

Cooperative's Financial Position	NOTE	2016	2015
			\$
CASH AT BANK & ON HAND	5	2,517	509
ACCOUNTS RECEIVABLE		30,552	5,000
TOTAL CURRENT ASSETS		33,070	5,509
<u>NON CURRENT ASSETS:</u>			
NON CURRENT RECEIVABLES			
PROPERTY, PLANT & EQUIPMENT			
INTANGIBLES		765	765
TOTAL NON CURRENT ASSETS:		765	765
<u>TOTAL ASSETS:</u>		33,835	6,274
<u>CURRENT LIABILITIES:</u>			
BANK OVERDRAFT			
CREDITORS		550	250
ACCOUNTS PAYABLE		9,686	
PROVISION FOR DIVIDEND			
PROVISION FOR GST			
PROVISION FOR INTEREST			
PROVISION FOR REBATES			
PROVISION FOR INCOME TAX		2,405	1,259
PROVISION FOR DOUBTFUL DEBT			
TOTAL CURRENT LIABILITIES:		12,641	1,509
<u>NON CURRENT LIABILITIES:</u>			
TOTAL NON CURRENT LIABILITIES:			
<u>TOTAL LIABILITIES:</u>		12,641	1,509
<u>NET ASSETS:</u>		21,194	4,765
<u>SHAREHOLDERS' EQUITY:</u>			
CONTRIBUTED EQUITY	6	18,410	3,328
SHARE DISCOUNT	7		(1,500)
RETAINED EARNINGS/(LOSSES)		2,784	2,937
TAX PAID			
RESERVES			
TOTAL SHAREHOLDERS' EQUITY:		21,194	4,765

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

Cooperative's Cashflow	NOTE	2016	2015
<u>CASH FLOWS</u>			
<u>FROM OPERATING ACTIVITIES</u>			
Annual Subscriptions		8,400	
Fee Income Earned		(3,578)	
Payments to Suppliers		(19,779)	(870)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>(14,957)</u>	<u>(870)</u>
<u>CASH FLOWS</u>			
<u>FROM INVESTING ACTIVITIES</u>			
Cost of Investment			<u>(765)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES			<u>(765)</u>
<u>CASH FLOWS</u>			
<u>FROM FINANCING ACTIVITIES</u>			
Dividends Paid			
Net Proceeds (Subscribed less Repaid) Shares	✓	16,966	918
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>16,966</u>	<u>918</u>
Total Net Increase/Decrease in cash held		2,009	(717)
Cash at beginning of Financial Year		509	1,226
CASH AT END OF FINANCIAL YEAR	8a	<u>2,517</u>	<u>509</u>

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Cooperatives Act 1997.

(a) Basis of Accounting

costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements.

(b) Income Tax

The consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense is calculated on the operating profit before tax, adjusted for permanent differences. Income tax in respect of 2016 is \$1,146 (2015 – \$1,224).

2016	2015
\$	\$

2. DIRECTORS

a. Directors' Remuneration

Directors' remuneration from the Cooperative;

Annual Subscriptions

500	Nil
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Cooperative Shares *

500	500
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1,000	500
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*** An Adjustment of \$1,500 was made to reverse all Share Discounts on shares issued to Directors in prior 3 years and expense them as Director's Fees.**

Number of Directors' whose income was within the following band: \$0-\$9,999 5

b. Loans to Directors

Nil	Nil
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c. Other transactions with Directors

Nil	Nil
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d. At the date of this report Directors held shares with the Cooperative.

DIRECTORS:	SHARES
Kevin Doodney	500
Terry Edward Stone	500
Robert Paul Eadie	500
David Michael Mitchell	500
Leonard Timothy O'Mara	500

2016	2015
\$	\$

3. AUDITOR'S REMUNERATION

Adjustment to Previous Years Fees

80	
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Current Years Fees:

550	300
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Audit Services:

630	300
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4. OPERATING RESULTS

Net Profit for the year

After charging: -

Bank Charges

140	120
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Statutory Fees

374	
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Audit Fee

630	300
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QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (CONT'D)

	2016	2015
	\$	\$
5. CASH AT BANK & ON HAND		
Cash at Bank	2,318	310
Cash on Hand	199	199
	2,517	509

6. CONTRIBUTED EQUITY

During the year members subscribed for and were repaid on shares held in the Cooperative and the net movements were:-

Balance 1 July	3,328	1,910
Shares Subscribed	15,078	1,418
Shares Cancelled	4	
Shares Repaid		
Balance 30 June	18,410	3,328

Members participate in dividends and proceeds on winding up of the Cooperative in proportion to the number of shares held.

7. SHARE DISCOUNT

During the year the following shares were issued at a discount to their value;

Ordinary Shares to Directors: *	-	500
Balance of Ordinary Shares to Directors	-	1,500

* An Adjustment of \$1,500 was made to reverse all Share Discounts on shares issued to Directors in prior 3 years and expense them as Director's Fees.

8. NOTE TO THE STATEMENT OF CASH FLOWS

a. Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows;

Cash at Bank and On Hand	2,517	509
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b. Reconciliation of Cash Flows from operations with profit(loss) from ordinary activities after Income Tax.

Net profit(loss) from ordinary activities after income tax	1343	2856
(Increase)Decrease in debtors	(25,552)	(4,950)
Increase(Decrease) in creditors	11,132	
Increase(Decrease) in provision for dividend		
Increase(Decrease) in provision for taxation	1,146	1,224
Net cash provided by (used in) operating activities	(11,932)	(870)

9. DIVIDEND

No dividend was recommended by the Directors and provided for as at 30 June 2016 (2015: Nil).

10. EMPLOYEES

At the year end the Cooperative had no employees.

11. CORPORATE DIRECTORY

The Cooperative was incorporated in Queensland. The registered office and principal place of business is: Unit 21, 17 Cairns Street, Loganholme, Qld

Telephone: (07) 3077 7070

Facsimile: (07) 3077 7080

Email: secretary@qldlifestyle.com.au