



# Annual Report

**ENDEAVOUR**

FOUNDATION

Opportunities for people with a disability





 Q Art Gallery

Featured cover artworks by the talented artists with a disability employed at Endeavour Foundation's QArt Studio based in Kew, Melbourne.





# The story so far

- 1908 ● Introduction of the Invalid Pension
- 1940s ● Establishment of the Commonwealth Rehabilitation Service (CRS)
- 1951 ● Endeavour Foundation founded
- 1970s ● Early disability rights movement
- 1991 ● Disability Reform Package
- 1992 ● Disability Discrimination Act
- 1994 ● Commonwealth Disability Strategy
- 2008 ● Australia ratified the UN Convention on the Rights of Persons with Disabilities
- 2010 ● National Disability Strategy
- 2011 ● Productivity Commission Inquiry Report into Disability Care and Support
- 2013 ● Commencement of the National Disability Insurance Scheme (NDIS) trials





# Contents

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<b>Year in Review</b>	<b>4</b>
<b>Chairman's Report</b>	<b>8</b>
<b>CEO's Report</b>	<b>9</b>
<b>Corporate Governance</b>	<b>10</b>
<b>Board of Directors</b>	<b>24</b>
<b>Executive Management</b>	<b>28</b>
<b>Financial Overview</b>	<b>31</b>
<b>Summary Financial Statements</b>	<b>41</b>



# Year in Review

## July 2014 | Great Endeavour Rally



150 participants including six people with a disability raised \$325,000 for the 2014 QLD Great Endeavour Rally. The eight day adventure saw competitors cover 3,500km through the Queensland outback starting at Warwick, through Western Queensland and finishing in Bundaberg.

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## Aug 2014 | Woolshed fashion show



Dubbed the most exciting fashion show ever seen on the Darling Downs, top Australian fashion designers including Camilla and Marc, Country Road, Ms Couture and many more showcased their best woollen garments at the Jondaryan Woolshed Fashion Show. Guests enjoyed a lamb-inspired menu at the Grand Banquet dinner with proceeds going to Endeavour Foundation.

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## Sept 2014 | Waste management



Our Townsville based e-waste recycling centre won the Rossko Award for Excellence in Waste Management. In one year, 100 tonnes of e-waste was processed through the facility. The team, including 15 supported employees, is responsible for diverting e-waste that would otherwise potentially end up in landfill.

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## Oct 2014 | Work health & safety



Endeavour Foundation was recognised by WorkCover Queensland with an Achievement Award in the large employer category for its approach to rehabilitation of injured workers and its return to work program. The award reflects the safe work culture in an organisation with more than 300 workplace locations across the country.

## Nov 2014 | Client Regional Forum



Participants at the first Regional Client Council held at Kew, Victoria, participated in a self-advocacy workshop, learning about human rights and decision-making under the National Disability Insurance Scheme (NDIS).

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## Dec 2014 | NDIS Families Forums



Endeavour Foundation coordinated NDIS Families Forums in Brisbane, following earlier events in Cairns, Townsville and Mackay. Featuring industry experts and families of trial site participants, the forums provided up to date information on how the NDIS works and provided an opportunity for families to ask questions.

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## Jan 2015 | Community Solutions



Post School Services and “Your Life, Your Choice” programs are facilitated from Mackay Learning and Lifestyle in 2015, completing the final transition of disability services from Community Solutions to Endeavour Foundation.

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## Feb 2015 | Redcliffe visit



The Hon. Mitch Fifield, MP Assistant Minister for Social Services toured Endeavour Foundation Redcliffe and spoke with families. They highlighted the importance of employment opportunities for people with a disability and Australian Disability Enterprises and asked the Senator to guarantee the future of supported employees under the NDIS.



# Year in Review cont

## March 2015 | Gladstone relocation



The new Gladstone Learning & Lifestyle hub officially opened to provide a fresh, contemporary environment for participants. The new facility is more spacious, has a beautiful garden and will give the 13 people who attend each week access to digital learning tools.

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## April 2015 | Rockhampton homes



Construction began on three, five-bedroom houses for people with a disability. The \$1.6 million development is part of the At Home With Choices program, which has already delivered 13 new homes for Queenslanders with a disability. The houses will include assistive technologies to promote greater independence.

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## May 2015 | Brickability



Arrow Energy and Endeavour Foundation joined forces to establish a recreation based respite program for children with a disability in Moranbah. The catalyst for the learning centre was research which suggested using Lego in play groups improves verbal and non-verbal communication and other social and life skills like sharing and taking turns.

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## June 2015 | Mackay upgrade



The Mackay Learning & Lifestyle hub re-opened after undergoing major renovations. Twenty-seven local people with a disability can now participate in community-based activities and life skill development programs in state-of-the-art activity rooms, with a modern kitchen and bathroom.





**Nicholas** enjoys this year's School Holiday Activity Program in Dalby, delivered in partnership with Arrow Energy.

# Chairman's Report

Endeavour Foundation has enjoyed another full and productive year in line with our mission to support people with a disability. The people we support, their families and loved ones, and their local communities can be confident that our focus is on the areas that will make the most difference to people's lives.

During the year we have expanded many of our programs, opened new homes for people with a disability, and amalgamated with other organisations to improve current and future customers' access to support particularly in the areas of education, training and employment.

While we continue to direct our energy into providing relevant, tailored opportunities for people with a disability, we do all this with full knowledge that aspects of service and program delivery will necessarily change as the National Disability Insurance Scheme (NDIS) rolls out.

Feedback from our NDIS Families Forums confirms that the excitement and optimism generated by the NDIS is tempered by some fear of the unknown and concern about change. Families can be reassured however that Endeavour Foundation is ready to

respond to the challenges and opportunities associated with the NDIS.

Endeavour Foundation has already provided NDIS funded support to Victorian participants enjoying a visit to the Sunshine State. NDIS sites are growing in New South Wales and Victoria. As this report goes to press, the first Queensland trial sites for the NDIS have been announced. It's a moving feast of opportunity and we are excited to be a part of it.

As the NDIS takes shape and we, along with the rest of the disability sector learn from and respond to the experiences of participants and providers in the trial sites, Endeavour Foundation will be well placed to continue providing high quality support for people with a disability.

We will of course continue to place our customers at the centre of our activities and respond to their needs and the suggestions of their families. The introduction of our National Council has helped deliver on this commitment - providing Area Committees with more opportunities to connect with each other and have a greater say in the priorities and operations of Endeavour Foundation.

This 2014-15 Annual Report provides more evidence of our capacity to deliver on our promises from a position strengthened by our history, core values, solid governance and goodwill.



**Grant Murdoch**  
Chairman of the Board of Directors





# CEO's Report

Now in the privileged position of delivering services to thousands of people from about 300 locations in Queensland, New South Wales, Victoria and South Australia, Endeavour Foundation is positioning itself as a full service provider across the community services sector.

Underpinned by our long-standing commitment to, and advocacy for people with a disability, in 2014-15 Endeavour Foundation has continued to increase its size and scope as part of a focussed strategy for the future. An increased capacity to deliver a broad range of services is essential as we respond to a disability sector in the midst of ambitious, and long overdue reform.

The National Disability Insurance Scheme (NDIS) is reflective of our core intent – ensuring that people with a disability can exercise choice and control in their lives. Through the NDIS we have the potential to help remedy embedded inequities across society.

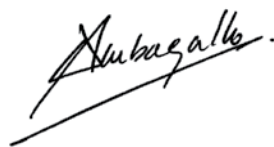
We can't do it alone however. Diversity in our families and communities enriches us all. To that end, all sectors of the community must step up and commit to creating a society that is inclusive and just.

Whether we are supporting people with a disability, disengaged youth or families in crisis, as an organisation and as part of a community we all need to work together.

As a new world of opportunity opens up for our customers, there will be operational challenges for service providers like Endeavour Foundation. These challenges include securing a flexible and high quality workforce in a more open, competitive market. We will need to ensure we continue to attract and retain the right staff - from the frontline interface with our customers to our executive team.

We also need to continue to value and recognise our volunteers – whose generosity contributes so much social capital. Similarly, engagement with our community and corporate partners remains a critical component of the way we work best – embedded in the community we serve.

We understand the hope and expectation riding on the implementation of the NDIS. We have a rich history of success and the resourcefulness to guide us through this transition. Rest assured we are working hard to ready ourselves as an organisation, and are equally committed to providing guidance to others during this transformative time.



**David Barbagallo**  
Chief Executive Officer



# Corporate Governance

**Endeavour Foundation recognises its responsibility to maintain corporate governance practices that are robust, accountable and of a standard that meets the expectation of its stakeholders.**

Our corporate governance framework embraces the requirements of relevant legislation, responds to expectations of high standards of service delivery within the disability service sector, promotes integrity in decision-making and demonstrates good corporate practice in general.

Endeavour Foundation's Board and executive team are committed to implementing high standards of corporate governance practice and will continue working to attain these standards, as enshrined within the Endeavour Foundation constitution, the corporate governance policy statement and corporate governance framework.





# Our core values

The Endeavour Foundation Board, executive team and staff embrace core values which are embedded in our formal organisational code of conduct and policies. These values guide the manner in which our business will be conducted and include:



**Respect for Persons**



**Integrity**



**Inclusion**



**Accountability**

Endeavour Foundation affirms the principles of the United Nations Convention on the Rights of Persons with Disabilities. We proactively work to promote, protect and advocate to ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.

## Policy statement

The platform of good corporate governance at Endeavour Foundation is an effective, accountable and ethical decision-making process focused on the pursuit of our corporate objectives, as defined in the Endeavour Foundation constitution and our statement of strategic intent.

Our decision-making processes are taken in a cultural environment that is ethically sound but competitive, and guided by policies and procedures that are forward-looking, accountable, transparent and compliant with the requirements of all regulatory authorities. Our policies and procedures embrace ongoing review, process improvement and good corporate practice overall.

Endeavour Foundation's Board and executive team balance competing priorities and limited resources in a manner that achieves best possible performance outcomes across all the organisation's activities.

Our actions, plans and decisions reflect that we are a good corporate citizen and that we are responsive to the opinions and needs of our stakeholders.

## Endeavour Foundation's legal structure

Endeavour Foundation is a public company limited by guarantee, with members rather than shareholders. Any person who is 18 years of age and over who supports Endeavour Foundation's objectives may apply for membership.

Bodies corporate may also apply for membership.

Members 30 June 2014	Members 30 June 2015
1278	1190



## Board of Directors

Endeavour Foundation is governed by a Board of Directors made up of no fewer than three and no more than nine directors. Up to five elected directors are elected by the Area Committees and the Board may appoint up to four independent directors.

In accordance with the requirements of the constitution, the Board must meet at least six times per year.

All directors volunteer their time and receive no remuneration.

Processes and decisions taken at Board and Committee meetings are guided by the Directors' code of conduct and the conflict of interest policy.

## National Council

Established in February 2014, the National Council is an important level of governance within Endeavour Foundation which ensures the involvement of stakeholders in key organisational decisions such as strategy, growth, annual budget and policy change.

The National Council consists of at least one elected member from each Area Committee so that it has a national, consultative focus affording the opportunity for additional stakeholders to provide input to the direction of Endeavour Foundation. It ensures that the interests and concerns of each committee, and of groups which join Endeavour Foundation by amalgamation, are represented at a national level.

National Council responsibilities include the development and ongoing review of guidelines, processes, procedures and policies, raising recommendations to the Board, the identification and discussion of improvement opportunities relating to services and support for individuals, and assisting the Board in monitoring services and support provided by Endeavour Foundation.





## Area Committees

Endeavour Foundation has 10 Area Committees in Queensland, New South Wales and Victoria, with up to 12 members each.

Endeavour Foundation members, other than current staff or former staff who have been employed by Endeavour Foundation within the last 24 months, are eligible for election and appointment to Area Committees.

Area Committees play a direct role in Endeavour Foundation's governance structure. Each Area Committee may nominate one of its members at the annual election of Elected Directors and all members of all of the Area Committees vote Elected Directors to the Endeavour Foundation Board as part of the annual election process.

Area Committees provide feedback on matters of policy and broad service provision but do not play a role in the day-to-day management of Endeavour Foundation or its services. They build and maintain strong community links which are vital to achieving Endeavour Foundation's goals on behalf of people with a disability.

## Endeavour Foundation support groups

Endeavour Foundation works with a number of local groups representing families and interested stakeholders around the state. These groups are not part of the organisation's formal governance structure, but can have close links to their Area Committee.

Some local groups are associated with a specific Endeavour Foundation service, while others have a broader interest.

These groups play an important role in providing support to local services and



families of people with a disability who access these services but do not play a role in the day-to-day management of Endeavour Foundation or its services. They also act as a consultative mechanism providing local feedback and information in relation to government and community initiatives impacting upon people with a disability and their families.

## Internal Audit

Under the auspices of the Endeavour Foundation Audit & Risk Committee Charter, the Internal Audit function is granted independence in its role, to allow it to fulfil its responsibilities. The Internal Audit program maintains a strong focus on issues of governance, internal control, risk and compliance. Implementation of the program is subject to ongoing review by the Audit & Risk Committee.

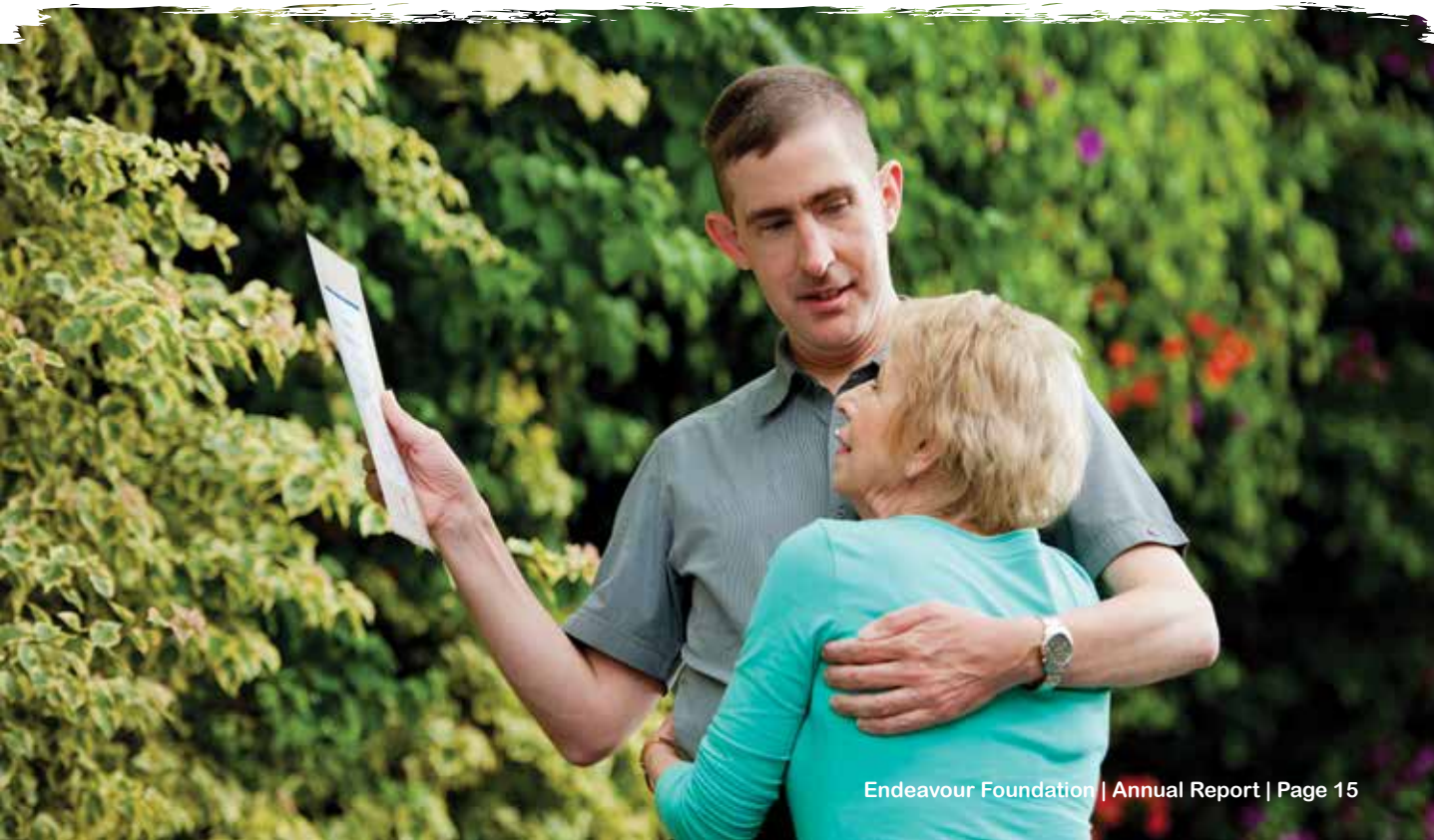
Internal Audit reviews are designed to assist management in the development of improved practices and procedures and to

provide assurance to both the Audit & Risk Committee and Executive Management Team that the internal control environment is adequate and is operating effectively.

## Risk Management

The Board of Directors Audit & Risk Committee has continued to meet in 2014-2015 and is now under the leadership of chairperson Tony Bellas. The committee is responsible for the oversight of the organisation's risk management framework, strategies, practices and activities. It reviews Endeavour Foundation's risk profile and ensures all organisational risks are identified and addressed.

As part of our commitment to the continuous improvement of our risk management practice, our Risk Appetite Statement, Risk Management Framework, policies and procedures are regularly reviewed and updated.





# Commitment to continuous improvement

In the operation of all services for people with a disability Endeavour Foundation continues to demonstrate a high level of commitment to the principles of the *Commonwealth Disability Services Act* (1986) and *Queensland Disability Services Act* (2006) and adherence to the related Disability Service Standards through third party external audit certification.

Supported by Endeavour Foundation's Quality Management System, all stakeholders are encouraged to identify and put forward suggestions for changes and the development of internal practices through continuous improvement processes. This is designed to ensure regular review and self-assessment within a culture that supports Endeavour Foundation to be a service provider and employer of choice.

External Audit Findings	2014-2015	2013-2014	2012-2013	2011-2012
Opportunities for improvement – employment services (28 establishments)	14	13	6	12
Opportunities for improvement – disability services (245 establishments)	30	43	56	43
Non Conformances – employment services (28 establishments)	0	0	1	0
Non Conformances – disability services (245 establishments)	3	0	5	1



# Work, Health, Safety and Injury Management

Endeavour Foundation continues to focus on zero harm in the workplace. Strategies and actions focus on the improvement of our staff's understanding and involvement in workplace health, safety and injury management, especially in the areas of consultation, safe work practice, legislative compliance, on-time reporting, hazard and risk management, and early return to work if an injury or illness occurs.

Underpinning our strategic objectives are the agreed zero harm principles:

- We do not compromise on safety;
- All injuries and occupational illnesses are preventable;
- Early reporting and learning from incidents is fundamental to our continuous improvement.

The past year has seen Endeavour Foundation grow through amalgamations and mergers into different services, broadening the WHS risk profile.

This presents further challenges to develop and respond to unknown risks, while enhancing broader opportunities to engage WHS related conversations, experience and learnings with the broader community. An example of this has been the development and roll out of a Young Worker Intervention training program to hosted Apprentices and Trainees called YOLO – You Only Live Once.

The work, health, safety and injury management value proposition is to 'Enable an Endeavour Foundation where everyone is confident, capable and connected with work, health, safety and injury management'.



# Community and Advocacy Support Unit

The Community and Advocacy Support (CAS) unit provides assistance to Endeavour Foundation through the provision of advice on a number of issues, including prevention and response to abuse, neglect, exploitation, upholding human rights, access to services and supports, as well as conflict resolution strategies. The unit adopts a human rights approach to its work, advocating, promoting, protecting and ensuring that all people with a disability enjoy the same human rights, freedoms and inherent dignity that everyone in our community expects.

Systemic advocacy often involves working to change government policy or service provider practices. The CAS unit looks at how government and Endeavour Foundation's policies may impact on people we support and their families.

The unit plays an active role in advocating to all levels of government and the broader community on behalf of people with a disability, families and carers. Members of the CAS unit promote that Endeavour Foundation's services are delivered within safe and supportive environments that are person-centred and family-friendly.







Throughout the last financial year, members of the CAS unit have coordinated:

- *Family Satisfaction Survey*
- Regional Forums (for family members, carers and guardians)
- Client Council meetings (for people who access services and supports)
- Advocacy Champions
- Vital Signs (health volunteers program)
- *Discover* guide (2nd edition).

The CAS unit also provides secretarial support to the External Abuse & Prevention Advisory Committee and the External Complaints Advisory Committee. These committees provide independent advice and review of Endeavour Foundation's abuse and complaints processes with the focus on continuous improvement and risk management strategies.

# Management framework and initiatives

**Our executive team and staff are guided in attaining above average performance outcomes through the Endeavour Foundation performance dashboard – a performance evaluation system based upon strategic themes including:**

- ⊗ Becoming an employer of choice
- ⊗ Becoming a service provider of choice
- ⊗ Demonstrating thought leadership
- ⊗ Demonstrating best practice
- ⊗ Being top of mind among stakeholders
- ⊗ Enhancing client satisfaction with a strong customer focus
- ⊗ Engaging the community
- ⊗ Maintaining state-of-the-art facilities
- ⊗ Being financially sustainable

Generally accepted good practice management systems and protocols are in place. Our management systems are subject to ongoing scrutiny and oversight to ensure that our service delivery is of a high standard and that, as an organisation, we are accountable to stakeholders for the outcomes achieved.

**Our service delivery is structured through an operational framework as follows –**

## **Disability and Community Services**

*Providing a range of approved services for 2457 placements to support people with a disability across Queensland and New South Wales, and approved to provide services in the ACT and South Australia.*

Endeavour Foundation supports and services span 265 locations. They include accommodation support, including seniors through the home care packages program; Learning and Lifestyle; education services including tertiary studies in literacy and technology through Continued Learning for Under-30s at Endeavour (CLUE) and Education Learning Program (ELP) for over 30s; and vacation and sibling respite. We also hold the Emergency Response Funding for the Queensland Department of Communities, Child Safety and Disability Services in North Queensland and are licensed to provide services to children under the care of the Department of Communities, Child Safety and Disability Services (DCCSDS) in Queensland, and have provider approval status in New South Wales, South Australia and the ACT.

## **Supporter Enterprises**

*Providing fund-raising activities to support Endeavour Foundation's many programs and services.*

Supporter Enterprises is accountable for conducting activities that are compliant, effective and efficient to maximise fundraising and brand awareness. We use high-volume consumer-focused fundraising vehicles including lotteries, retail stores, bingo, merchandise, membership, events such as the Great Endeavour Rally, along with philanthropic grants, corporate relationships, donations and bequest appeals.







## Corporate Services

*Delivering human resource management support, payroll services, quality management, workplace health and safety and staff development.*

Corporate Services also deliver core financial management services including budgeting and resource planning, finance and accounts, procurement, fleet management, information systems infrastructure, asset development and infrastructure planning, property portfolio optimisation, and facilities management. Corporate Services is also responsible for the tendering and administration of Gambling Community Benefit Fund grants.

## Client Services

*Positioning Endeavour Foundation as a leader in the sector through service reform, research, community partnerships, complaints and incident management.*

Client Services is responsible for positive behaviour support, and community and advocacy support to promote and protect the human rights of people with a disability who access Endeavour Foundation supports and services.

## Business Solutions

*Providing capacity for 2,125 people to work in supported employment in a variety of industries.*

Endeavour Foundation commercial enterprises include the production of timber products, safety products, packaging services, mailing and collating, document destruction, industrial cleaning cloths, e-waste recycling, industrial sewing, and high quality commercial art. It also provides workforce development and training solutions for the community services sector.

## Community Solutions

*Providing valued and complementary health and wellbeing, workforce (incl. apprenticeships), education and training services throughout Qld, Vic and SA.*

Formally amalgamating with Endeavour Foundation in October 2014, the Community Solutions Group of like-minded NGOs now form the basis of Endeavour Foundation's Community Solutions Division. These services, combined with our core disability services, create the unique capacity to offer a holistic and integrated service response for people, families and communities, particularly in regional areas.



We recognise and welcome the people, services and stakeholders of Community Solutions Group, Acclaim, TORGAS and Skills Plus/Brace who share and enrich the common aspirations and values of Endeavour Foundation.

### **Marketing and Communications**

*Enabling Endeavour Foundation to respond efficiently and effectively to customer demand for services across the disability and broader community services sector.*

The marketing and communications team supports the organisation to meet its business objectives by providing advice and services including market research, brand and visual identity, strategic marketing, media relations, social media, external and internal communications. In a dynamic and increasingly competitive sector, marketing and communications is essential to position and profile Endeavour Foundation to current and future customers, community and government stakeholders.

### **Growth Strategy**

*Developing national scale, capacity and service diversification via a considered growth strategy including mergers and acquisitions with like-minded organisations.*

This growth strategy has been developed and resourced with an experienced and skilled project team that implements a, due diligence and transition management process that has been independently reviewed to ensure compliance, effectiveness and efficiency. In addition to assisting Endeavour Foundation to effectively participate in the NDIS, this growth strategy also serves to ensure critical social capital is not lost or eroded in a competitive open market environment. This form of sector leadership will be viewed over time as a valued attribute of and contribution by Endeavour Foundation.

# Board of Directors

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## Grant Murdoch

### Chairman

MCom (Hons), FAICD, FICAA  
Appointed to the Board  
26 September 2007



## Kate Swindon

### BCom, FCA

Appointed to the Board  
13 July 2010

Grant has more than 40 years' experience as a chartered accountant, with specific experience in mergers, acquisitions, takeovers, corporate restructures and share issues. A former partner with Ernst & Young, he is an active director and committee member for companies including ALS, OzForex, Cardno, QIC, and UQ Holdings Ltd. He was a Board management member for the Queensland Deaf Society for 10 years.

Kate is the Head of Tax at Suncorp Group. She has more than 20 years' experience in corporate tax consulting and business services in the financial services and resource sectors. Her broad corporate experience includes her former roles as CFO for the Anglican Diocese of Brisbane, CEO of ANFIN and Head of Client Solutions at leading Australian funds manager QIC.



## Tony Bellas

### Deputy Chair

BEcon, DipEd, MBA,  
GAICD, ASA, FAIM  
Appointed to the Board  
14 February 2011

Tony is Chairman of ERM Power, CTM Travel, Shine Lawyers and Graphitecorp Pty Ltd as well as a director of a number of unlisted companies in Queensland and the principal of a corporate consulting company. He has previously held Chief Executive roles at Seymour Group, Ergon Energy and CS Energy and had a long career with Queensland Treasury. Tony was awarded the Centenary Medal in 2001 for services to the Public Sector in Queensland.





## **Alison Semple**

LTCL, BA, Grad Dip Tchg  
(Resource), Grad Cert Theol  
Elected to the Board  
30 November 2012

Alison has three children including a 38 year old who lives with a severe intellectual disability and communicates with an electronic device. She and her husband have advocated for decades serving on management committees. She has been the parent representative on Endeavour Foundation working groups including the Complaints Advisory Committee.



## **Pedro Mendiolea**

BE (Hons) GDMgt  
MIEAust RPEQ CPEng  
Elected to the Board  
22 November 2013

Pedro is an Associate Director in the professional services company AECOM Australia and has worked for over 30 years in the civil and water infrastructure areas in both private practice and Government. He is a member of the North Queensland Area Committee of Endeavour Foundation. His sister Ana is a long term client and supported employee of Endeavour Foundation.



## **Suzie (Suzanne) Thorpe**

AICD  
Elected to the Board  
30 November 2012

Suzie is a retired marketing and promotions professional and small business owner. Her son, who has Down Syndrome, has worked with Endeavour Foundation for about 30 years. She is vice chairman of Endeavour Foundation's South East Queensland Area Committee, and has had over 25 years membership in the Gold Coast Recreation and Sport group, which specialises in recreation for people with a disability.

# Board of Directors

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## Scott Ellis

BBus, ASA  
Elected to the Board  
22 November 2013

Scott has worked in the commercial and corporate finance industry for many years, dealing with many diversified industries. Scott has both an older brother and brother-in-law who have a disability. Scott has been a part of the Endeavour Foundation community for over 30 years. He has been involved with the Brisbane Metro Area Committee since its formation. He is passionate about ensuring that people with a disability have the best options available for a happy and full life.



## Paul Currie

B.Sc (Hons), PhD  
(Physics)  
Elected to the Board  
November 2014

Paul has a strong focus on the continued growth and development of opportunities for people with a disability in the context of NDIS. He and wife Judy are long-term volunteers with Endeavour Foundation and their son Andrew has worked for the organisation since 2003. Paul is a member of the Warwick Support Group, a member of the South-West Area Committee, an Advocacy Champion and was inaugural Deputy Chair of the Endeavour Foundation National Council.



## Yvonne Keane

Appointed to the Board  
26 May 2014

Yvonne is an award winning TV producer, SugarBaby Cosmetics founder, and Deputy Mayor of The Hills Shire Council in Sydney. Yvonne's life changed with the birth of her first child, Asher, who is hearing impaired. She has since founded the Hear the Children Early Intervention Centre, which provides life-changing early intervention to hearing-impaired babies and preschoolers.



Daryl Bevan being interviewed by ABC Radio at an Endeavour Foundation event



# Executive Management



**David Barbagallo**

**Chief Executive Officer**  
BSurv, MTM, Dip Mgt.

David has held senior positions in industry, government and academia. During his tenure at Endeavour Foundation, there has been an increased focus on strategic planning and performance management. He holds degrees in Surveying and Technology Management and is an Adjunct Professor of Information Technology at Queensland University of Technology.



**Andrew Donne**

**Executive General Manager**  
Employment Services  
BBus

Andrew is responsible for the overall management of Endeavour Foundation's 28 Australian Disability Enterprises, with a dual focus of ongoing improvement in both employment outcomes for people with a disability and the commercial outcomes for the businesses they are employed in. Andrew has extensive commercial experience at Linfox Transport, Shell, Pacific Dunlop and McDonald's.



**Gail Davidson**

**Executive General Manager**  
Disability and  
Community Services  
GAICD

Gail and her team are responsible for providing support to almost 2,000 people with a disability. She is a Board member of the Gladstone Ports Corporation and Gladstone Foundation Board of Advice. Gail was previously a member of the Disability Council of Queensland, the Inaugural Chair of the Regional Disability Council of Central Queensland and a member of the Quality Complaints Management Committee advising the Minister for Disability and Community Services.



**Jenny Madden**

**Executive General Manager**  
Client Services  
BA P/G Dip. Ed MHMS  
Prov. P/G Cert Sports  
Med. ASDA

Jenny has over 20 years' experience in the government and community sectors in the areas of education, health promotion, research and tender development. She has managed projects within Australia and SE Asia, chaired national forums and presented on issues of public health and community sector development throughout Australia, South East Asia and New Zealand.



## John Hooper

### Executive General Manager

Corporate Services  
BEC (Acc), FCPA, GAICD,  
FAIM

John is an accomplished senior executive, with experience in the private and government sectors, and across a broad range of industries. John has been a director of a number of entities, including in the fields of health, ITC, retail and telecommunications and has valuable expertise in business transformation.



## Sandra Philpott

### Executive General Manager

Marketing and  
Communications

Sandra has significant experience in strategic marketing, strategic business planning, brand management, customer and stakeholder engagement, and change and integration management, Sandra will focus on growing brand awareness and engagement to enable our continued sustainability under the NDIS.



## David Curd

### Executive General Manager

Growth Strategy/  
Community Solutions  
Division  
BEd, Dip. Teach, MBA,  
FAICD

David has more than 20 years' experience in the government, business and community sectors. David was awarded a Winston Churchill Fellowship to study community development and is the founding member and Managing Director of the Community Solutions Group Ltd, a diversified community service organisation which amalgamated with Endeavour Foundation in 2014.



## Andrew Thomas

### Executive General Manager

Supporter Enterprises  
BBus (Acc), CPA, MBA,  
AICD

Andrew is a recognised leader in the philanthropic and not-for-profit sectors. He has significant experience in national organisations across a range of charitable trust structures and fundraising operations including lotteries, donations, bequests, events, philanthropic grants and merchandise.





# Financial Overview

Endeavour Foundation is well placed to continue providing valuable services in the community with a strong financial position underpinned by strategic leadership and effective management. Financial stability guarantees a skilled workforce and the capacity to deliver our customer-focussed programs of support. Welcome operating surpluses provide the opportunity for capital expenditure in low density housing for people with a disability.



The consolidated annual financial statements of the Endeavour Foundation Group for the financial year ended 30 June 2015 comprise Endeavour Foundation (“the Company”) and its controlled entities, referred to collectively as (“the Group”). During the current financial year the “Community Solutions Group” was added to the Group with effect from 1 October 2014, following agreement to merge the respective operations and net assets with those of Endeavour. The “Community Solutions Group” comprises of three separate entities: Community Solutions Group Ltd, Community Assets Australia Ltd and Acclaim Apprentices and Trainees Ltd.

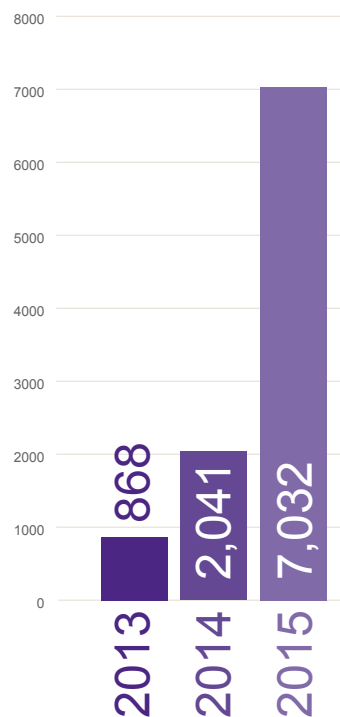
The Group recorded an operating surplus for the current financial year of \$7,032,000 compared to an operating surplus of \$2,041,000 in the previous year. This operating result was achieved primarily due to the following factors:

- ⌚ a significant improvement in the operating surplus contribution made by the Disability & Community Services division of \$6,796,000 compared to an operating surplus of \$1,528,000 in the previous period, due to the receipt of back-paid wages supplementation funding relating to the 2012/13 and 2013/14 financial periods, organic growth in new services in South Australia and growth within Children and Youth Services;
- ⌚ a strong, but steady operating surplus contribution made by the Supporter Enterprises division of \$1,978,000 compared to a surplus of \$2,071,000 in the previous period. The Supporter Enterprises division provides a much needed financial boost to help close the funding gap between government funding received and the cost of providing services. This division also includes costs associated with brand development in relation to all visual mediums and internal and external promotional publications;
- ⌚ a further contraction in the operating results from the Employment Services division, down to an operating deficit of (\$1,774,000) for the current year, compared to an operating deficit of (\$1,746,000) in the previous period, driven largely by the challenging business environment faced by the geographically dispersed Queensland based supported employment services and the flow-on effect of the continued downturn in the mining sector;

- ⌚ non-recurrent corporate project costs associated with the implementation of improved IT systems.

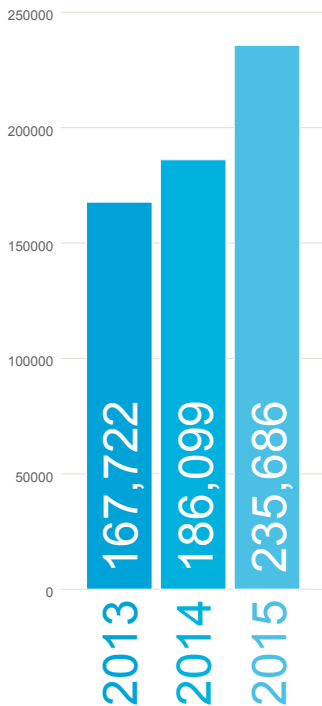
The Group's net surplus for the current financial year, after recognising significant non-operating revenues of \$17,141,000 was \$24,173,000. In the current period, non-operating revenues included significant net gains on the acquisition of subsidiaries of \$13,998,000, gains on property sales of \$390,000 and non-recurrent government capital grants and other capital donations of \$2,753,000.

### Operating Surplus (\$'000)

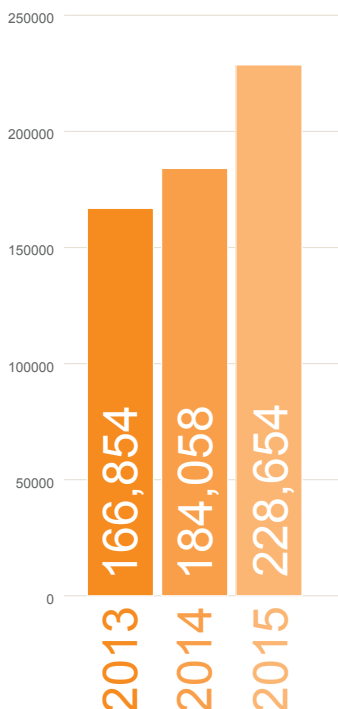




## Operating Revenue (\$'000)



## Operating Expenses (\$'000)



## Financial highlights

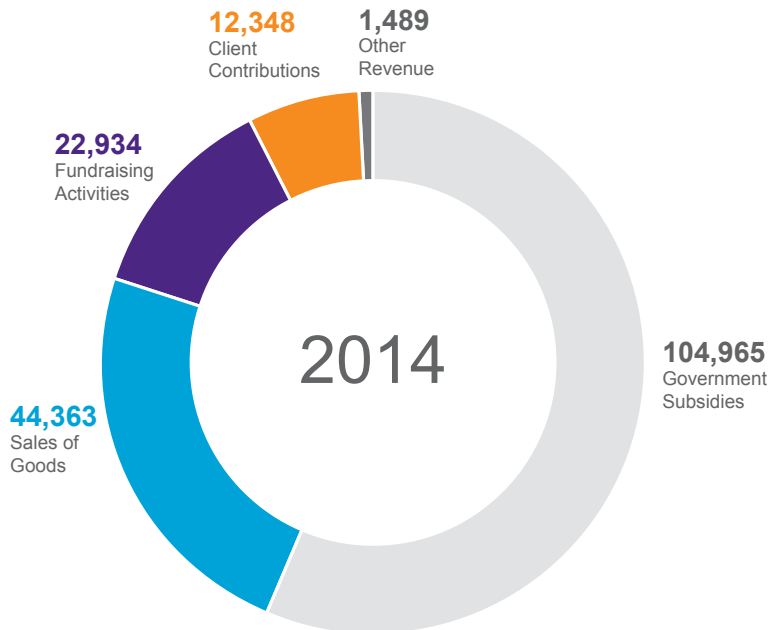
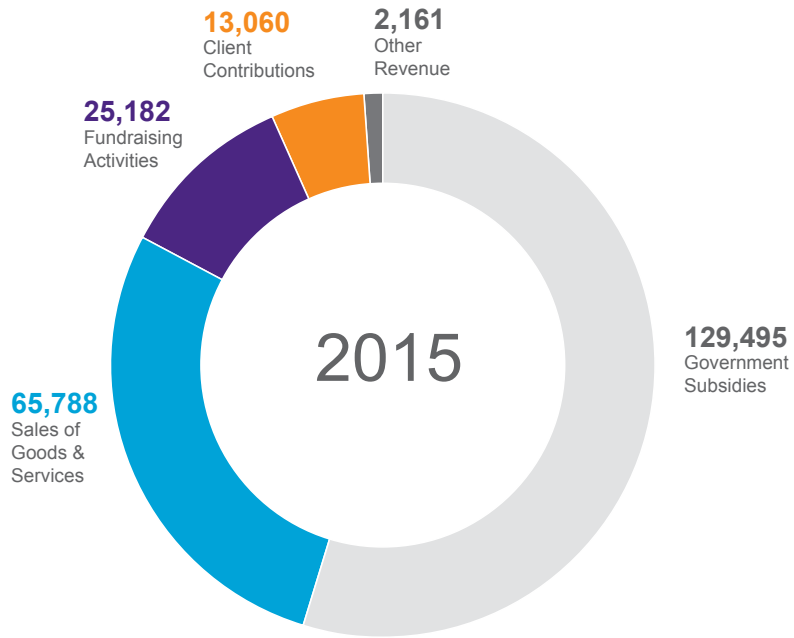
### Income Statement

Operating revenues increased by 26.7% over the prior year to a record level of \$235,686,000, with revenue growth being recorded across all three of the main operating divisions of Disability & Community Services, Employment Services and Supporter Enterprises. The merger with “Community Solutions Group” has contributed to most of the revenue growth in both the Disability & Community Services division and the Employment Services division, further boosted by organic growth in new services in South Australia and growth within Children and Youth Services.

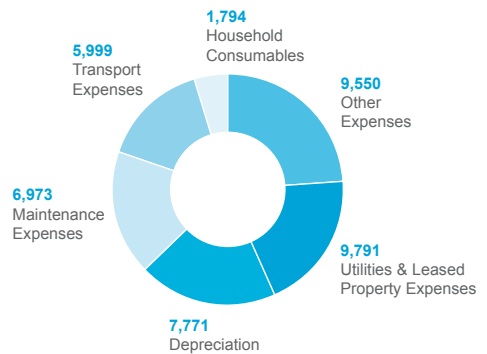
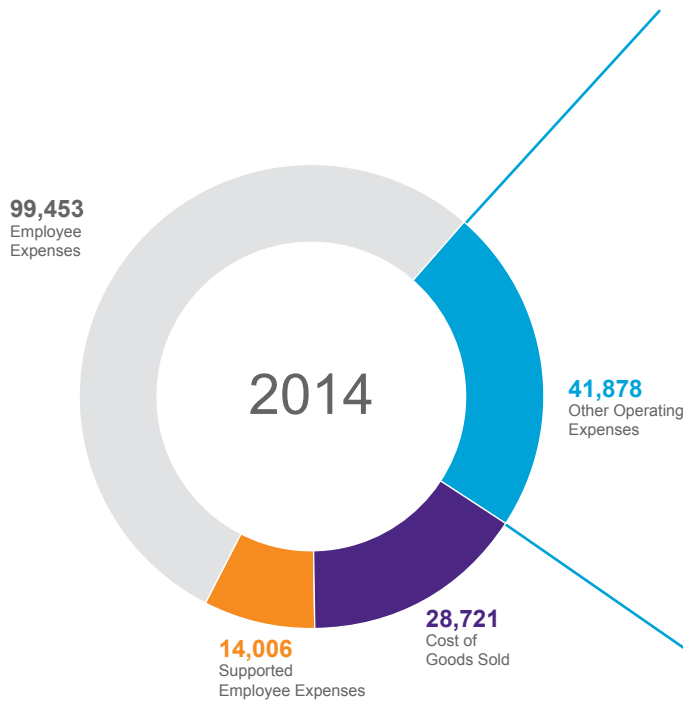
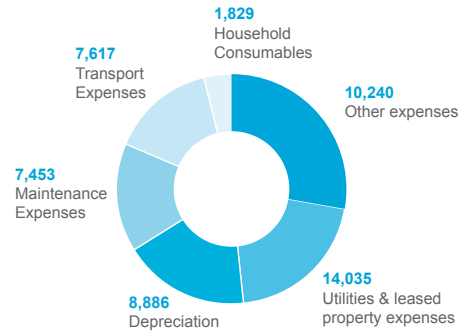
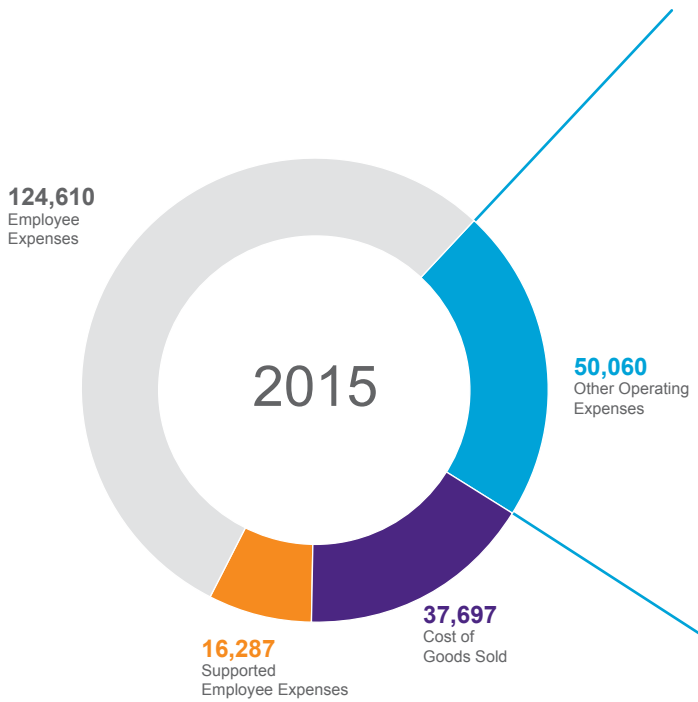
The Group continues to be heavily reliant on both the Federal and State Governments to subsidise the services it provides to its service users, with government subsidies representing 54.9% of total operating revenue (2014: 56.4%). Government subsidies increased by \$24,530,000 or 23.4% to \$129,495,000, reflecting a combination of growth in services (principally attributable to the inclusion of the “Community Solutions Group”), some indexation of existing subsidies, back-paid wages supplementation funding relating to the 2012/13 and 2013/14 financial periods and the inclusion of additional services in the Disability & Community Services division.

Operating expenses increased by 24.2%, or \$44,596,000 to \$228,654,000 for the year. This is only slightly less than the 26.6% increase in total operating revenues, reflecting the tight margins under which the organisation operates and the risks inherent in those areas of the business that have exposure to variable commercially generated revenue streams, but which have inelastic cost bases unable to be quickly reduced across the period.

# Operating Revenue (\$'000)



# Operating Expenses breakup (\$'000)





## Balance Sheet

The Group is in a sound financial position at 30 June 2015, with healthy bank balances and low levels of interest bearing debt. It continues to maintain and grow a strong balance sheet with current assets exceeding current liabilities by \$10,983,000 at balance date (2014 net current assets of \$7,142,000).

The year-end cash balance of \$21,722,000 includes quarantined cash of \$11,488,000. Of these quarantined balances, \$6,236,000 represents income received in advance, with the remaining \$5,252,000 being internally quarantined as a “capital future fund” to provide funding for the construction of new and replacement capital infrastructure which has aged well beyond the scope of useful life.

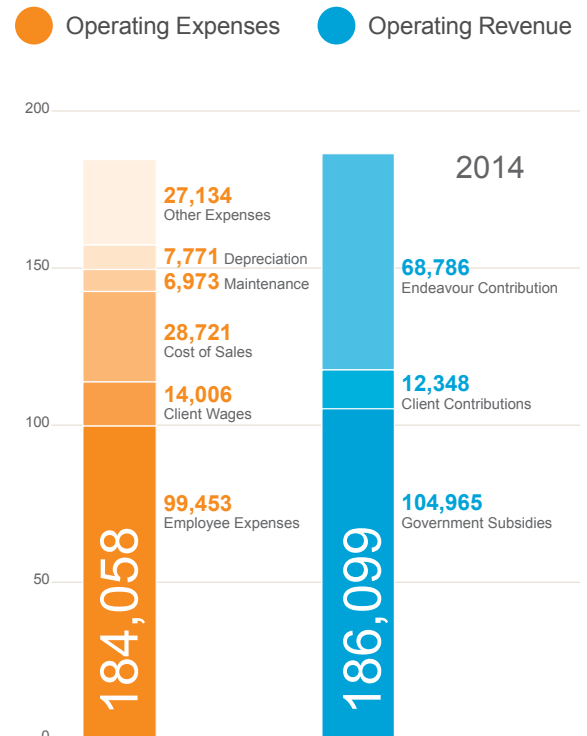
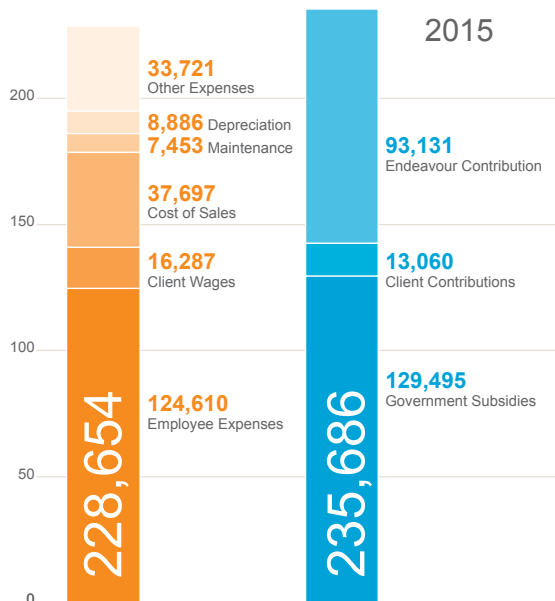
Overall the balance sheet remains strong, with low gearing and total equity increasing by \$25,775,000 to \$110,180,000, reflecting a combination of the effects of a larger net surplus for the year and the effect of the non-

cash actuarial gain from the defined benefit fund, recognised directly through retained earnings.

## Cash Flow Statement

Net cash provided by operating activities remained strong at \$18,601,000, increasing by \$12,484,000 compared to the previous period, due largely to the effect of the increased net surplus for the year, boosted by an improvement in working capital funding requirements. The cash generated from operating activities together with net cash provided by financing activities of \$12,327,000, was sufficient to fully cover the net cash spend on investing activities of \$20,581,000, resulting in a \$10,347,000 increase in the cash and bank balances for the year, to record a closing balance of \$21,722,000 at period end.

## Bridging the Funding Gap (\$'000)



# Divisional Results (\$'000)

Divisional Results	Disability & Community Services		Employment Services		Supporter Enterprises		Corporate & Infrastructure		Divisional Eliminations		Total Foundation	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Operating Revenue	123,374	89,490	78,325	60,897	32,371	30,830	4,364	4,882	(2,748)	-	235,686	186,099
Operating Expenses	(116,578)	(87,962)	(80,099)	(62,643)	(30,393)	(28,759)	(4,332)	(4,694)	2,748	-	(228,654)	(184,058)
<b>Divisional operating surplus/(deficit)</b>	<b>6,796</b>	<b>1,528</b>	<b>(1,774)</b>	<b>(1,746)</b>	<b>1,978</b>	<b>2,071</b>	<b>32</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>7,032</b>	<b>2,041</b>
Non-operating revenue	26	64	-	85	112	-	17,003	11,448	-	-	17,141	11,597
<b>Net surplus/(deficit) for the year</b>	<b>6,822</b>	<b>1,592</b>	<b>(1,774)</b>	<b>(1,661)</b>	<b>2,090</b>	<b>2,071</b>	<b>17,035</b>	<b>11,636</b>	<b>-</b>	<b>-</b>	<b>24,173</b>	<b>13,638</b>



## Summary Financial Performance (5 years) (\$'000)

	2015	2014	2013	2012	2011
Operating Revenues	235,686	186,099	167,722	164,959	158,579
Operating Expenses	(228,654)	(184,058)	(166,854)	(164,900)	(153,348)
<b>Operating Surplus</b>	<b>7,032</b>	<b>2,041</b>	<b>868</b>	<b>59</b>	<b>5,231</b>
Government capital expenditure grants and other capital donations	2,753	2,160	1,112	1,926	2,969
Significant bequest	-	-	-	-	614
Gains on sale of properties	390	1,234	1,505	217	122
Net gains on business acquisitions	13,998	8,203	-	-	-
<b>Net surplus for the year</b>	<b>24,173</b>	<b>13,638</b>	<b>3,485</b>	<b>2,202</b>	<b>8,936</b>

## Summary Financial Position (5 years) (\$'000)

	2015	2014	2013	2012	2011
<b>Assets</b>					
Current assets	46,475	36,249	29,095	28,445	30,864
Non-current assets	118,282	84,687	67,259	62,733	58,540
<b>Total Assets</b>	<b>164,757</b>	<b>120,936</b>	<b>96,354</b>	<b>91,178</b>	<b>89,404</b>
<b>Liabilities</b>					
Current liabilities	35,492	29,107	24,165	22,574	22,224
Non-current liabilities	19,085	7,424	3,284	5,212	3,602
<b>Total Liabilities</b>	<b>54,577</b>	<b>36,531</b>	<b>27,449</b>	<b>27,786</b>	<b>25,826</b>
<b>Net Assets</b>	<b>110,180</b>	<b>84,405</b>	<b>68,905</b>	<b>63,392</b>	<b>63,578</b>





# Summary Financial Statements

For the year ended 30 June 2015

The attached summary financial statements and other specific disclosures are an extract of, and have been derived from the full Annual Financial Report of Endeavour Foundation (“the Company”), being the Company and its controlled entities (“the Group”), for the financial year ended 30 June 2015. Other information included in the Summary Financial Report is consistent with the full Annual Financial Report.

The Summary Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full Annual Financial Report.

A printed copy of Endeavour Foundation’s 30 June 2015 Annual Financial Report, including the Independent Audit Report, is available to all members, and will be sent to members without charge upon request. The 30 June 2015 Annual Financial Report can be requested by telephone 07 3908 7100 or may also be downloaded from [endeavour.com.au](http://endeavour.com.au)

# Directors' Report

For the Year Ended 30 June 2015

The Directors present their report together with the consolidated financial report of Endeavour Foundation ("the Company"), being the Company and its controlled entities ("the Group"), for the year ended 30 June 2015 and the Auditor's Report thereon.

## Directors

The Directors of Endeavour Foundation at any time during or since the end of the financial year are:

Name	Qualifications and Special Responsibilities	Experience (in years)	
		Board of Directors	Area Committee
<b>Current at 30 June 2015</b>			
Grant Bruce Murdoch (Independent Director) (26 September 2007)	MCom (Hons), FAICD, FCA Chair Chair of Nominations & Remuneration Committee Member of Audit and Risk Committee	8	-
Anthony George Bellas (Independent Director) (14 February 2011)	BEcon, Dip Ed, MBA, MAICD, ASA, FAIM Deputy Chair Chair of Audit and Risk Committee Member of Nominations & Remuneration Committee	4	-
Yvonne Dianne Keane (Independent Director) (26 May 2014)	Member of Nominations & Remuneration Committee	1	-
Katherine Jean Swindon (Independent Director) (13 July 2010)	BCom, FCA Member of Client Services Committee Member of Nominations & Remuneration Committee	5	-
Paul Denis Currie (Elected Director) (26 November 2014)	BSC (Hons), Phd (Physics) Member of Client Services Committee	7 months	5
Scott Robinson Elton Ellis (Elected Director) (22 November 2013)	BBus, ASA, AAICD Member of Audit and Risk Committee	2	15
Pedro Mendiola (Elected Director) (22 November 2013)	BE (Hons), GDMgt, MIEAust, RPEQ, CPEng Member of Audit and Risk Committee	2	4
Alison Jean Semple (Elected Director) (30 November 2012)	LTCL, BA, Grad Dip Ed(rsc), Grad Cert Theol, Member of Client Services Committee	3	15
Suzanne Evelyn Thorpe (Elected Director) (30 November 2012)	AAICD, Dip Marketing Member of Client Services Committee	3	7



Name	Qualifications and Special Responsibilities	Experience (in years)	
		Board of Directors	Area Committee
<b>Past Directors who served during the year</b>			
David Booth de Villiers (Elected Director) (ceased 26/11/2014)	MA, HED, AdvDipEd, MAICD, PSM Chair of Client Services Committee Member of Audit Committee	10	18
<b>Resignations since the end of the financial year</b>			
None			

### Company Secretary

The Company Secretaries of Endeavour Foundation at any time during or since the end of the financial year are:

### Current Joint Company Secretaries

Patrick Stephen Burke      B Bus, Grad Dip. Mgt, Grad Dip Fin Planning, FCPA, FAICD      (Appointed 26/08/2013)  
Eric Duncan Campbell      B Acc, CA, Grad Dip Project Mgt, GAICD      (Appointed 28/11/2013)

### Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of Endeavour Foundation during the financial year are:

	Board Meetings		Nominations & Remuneration Committee Meetings		Client Services Committee Meetings		Audit & Risk Committee Meetings		Audit Committee Meetings		Risk Committee Meetings	
	A	B	A	B	A	B	A	B	A	B	A	B
G B Murdoch	13	12	2	2	-	-	2	1	2	2	1	1
A G Bellas	13	10	2	2	-	-	2	2	2	2	1	1
P D Currie	8	8	-	-	2	2	-	-	-	-	-	-
D B de Villiers	5	5	-	-	2	2	-	-	2	2	-	-
S R E Ellis	13	12	-	-	-	-	2	1	2	2	1	1
Y D Keane	13	9	2	1	-	-	-	-	-	-	-	-
P Mendiola	13	11	-	-	-	-	2	2	2	2	-	-
A J Semple	13	12	-	-	4	4	-	-	-	-	-	-
K J Swindon	13	11	2	2	4	3	-	-	-	-	1	1
S E Thorpe	13	11	-	-	4	2	-	-	-	-	-	-

**A** – Number of meetings held during the time the director held office during the year

**B** – Number of meetings attended.

**Note:** The Audit Committee and the Risk Committee were combined to form a single Audit & Risk Committee on 4 March 2015.

## **Board Processes**

To assist in the execution of its responsibilities, the board has established a number of board committees including a Nominations & Remuneration Committee, a Client Services Committee and an Audit & Risk Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis.

Details of each board committee are as follows:

### **Nominations & Remuneration Committee**

The Nominations & Remuneration Committee oversees the appointment and induction process for directors and committee members in accordance with the principles laid out in Endeavour Foundation's constitution. It is also responsible for making recommendations to the board regarding the selection, appointment and succession planning process for the Chief Executive Officer (CEO), including conducting an annual review of the CEO's performance and remuneration. The Nominations & Remuneration Committee comprised the following members during or since the end of the financial year:

- Mr G B Murdoch (Chair)
- Mr A G Bellas
- Ms K J Swindon (appointed 23/02/15)
- Councillor Y D Keane (appointed 23/02/15)

### **Client Services Committee**

The Client Services Committee is responsible for overseeing the continued development and provision of quality services to meet the needs of people with a disability. It is also responsible for the oversight and monitoring of the External Complaints Advisory sub-committee and the Abuse Prevention & Response sub-committee.

The Client Services Committee comprised the following members during or since the end of the financial year:

- Mr D B de Villiers (Chair) (retired as a director on 26/11/14 but remained a committee member)
- Ms K J Swindon
- Ms A Semple
- Ms S E Thorpe
- Dr P D Currie (appointed 23/02/15)
- Mr G M Crotty (retired as a director on 30/11/12 but remained a committee member)

### **Audit & Risk Committee (formed 4 March 2015)**

The Audit & Risk Committee provides assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the organisation's financial reporting, internal control structures, risk management systems, the internal and external audit functions, the process for monitoring compliance with laws and regulations and the code of conduct and related policies.

In doing so, it is the responsibility of the Audit & Risk Committee to maintain free and open communication between the Audit & Risk Committee, External Auditors, the Internal Auditor, the Manager Risk & Insurance and management of the organisation.

The separate Audit Committee and Risk Committee were combined to form a single Audit & Risk Committee on 4 March 2015.

The Audit & Risk Committee comprises of the following members during or since the end of the financial year:

- Mr A G Bellas (Chair) (appointed 04/03/15)
- Mr G B Murdoch (appointed 04/03/15)
- Mr P Mendiola (appointed 04/03/15)
- Mr S R E Ellis (appointed 04/03/15)

#### **Audit Committee (disbanded 4 March 2015)**

The Audit Committee oversaw the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of Endeavour Foundation, including assessing and directing the performance of the internal audit function. The Audit Committee also reviewed the performance of the external auditors and normally met with them twice a year to discuss the external and internal audit plans, and to review the results and findings of the external auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

The committee reviewed the annual financial report, including approving new accounting policies to ensure compliance with Australian Accounting Standards, and recommended Board approval of the Annual Financial Report.

The separate Audit Committee and Risk Committee were combined to form a single Audit & Risk Committee on 4 March 2015.

The Audit Committee comprised the following members during the financial year:

- Mr A G Bellas (Chair) (ceased 04/03/15)
- Mr G B Murdoch (ceased 04/03/15)
- Mr D B de Villiers (ceased 26/11/14)
- Mr P Mendiola (ceased 04/03/15)
- Mr S R E Ellis (ceased 04/03/15)

#### **Risk Committee (disbanded 4 March 2015)**

The Risk Committee provided assistance to the Board in its responsibilities of managing risk within the organisation. It was the main body responsible for overseeing the implementation of management's Risk Management System and ensured the maintenance of a robust and effective risk management process and related practices. The committee oversaw the implementation of risk management across the organisation, integrated all risk related activities, facilitated and monitored business unit level risk management processes and was responsible for overseeing the strategic risk management process.

The separate Audit Committee and Risk Committee were combined to form a single Audit & Risk Committee on 4 March 2015.

The Risk Committee comprised the following members during the financial year:

- Mr G B Murdoch (Chair) (ceased 04/03/15)
- Ms K J Swindon (ceased 04/03/15)
- Mr A G Bellas (ceased 04/03/15)



## **Principal Activity and Objectives**

The principal activity of Endeavour Foundation during the year was the provision of support services to people with a disability, with a particular focus on people with an intellectual disability, including Community Advocacy & Support Services, Residential Accommodation & Support Services, Learning & Lifestyle Support Services, Post-School Services and Supported Employment Services. In the opinion of the Directors no significant changes have occurred in the nature of these activities during the financial year.

Endeavour Foundation's short and long term focus is to provide opportunities for people with a disability so they may participate in the every day life of the community.

Operating under the core values of *respect, inclusion, integrity and accountability*, the vision of Endeavour Foundation is to:

- be a full service provider in the community services sector with a focus on the individual needs of vulnerable people especially those with an intellectual disability;
- advocate for people with a disability;
- deliver leading services to ensure people have choice in the services they acquire;
- be a sustainable and influential organisation.

In practical terms in order to achieve this focus, projects undertaken by Endeavour Foundation are assessed and progressed to achieve outcomes in seven key strategy areas:

1. The employment, development and retention of the best possible human resources, including volunteers.
2. The delivery of world best practice support for people with a disability through the application of evidence based research.
3. National expansion as a single united organisation to increase commercial and brokerage opportunities for services and products and enhance employment outcomes for employees.
4. New and improved business and service models together with better risk and asset management to deliver financial sustainability and a safe work environment.
5. The development of a customer focus and quality culture in the organisation to improve adaptability to changing environments and ensure long term viability.
6. Improved stakeholder relations with the wider community and corporate sector through better communications, brand development and management.
7. Increased and better use of technology and digital media systems to enable best practice and innovation.

Endeavour Foundation measures its performance through an independently conducted periodic Family Satisfaction Survey and a suite of key performance indicators, set at the Governance, Executive Management and Organisational Management levels.

## **Preparation of Consolidated Financial Statements**

The consolidated annual financial statements comprise Endeavour Foundation ("the Company") and its controlled entities ("the Group").

## Results

The Group recorded an operating surplus for the current financial year of \$7,032,000 compared to an operating surplus of \$2,041,000 in the previous year. This operating result was achieved primarily due to the following factors:

- a significant improvement in the operating surplus contribution made by the Disability & Community Services division of \$6,796,000 compared to an operating surplus of \$1,528,000 in the previous period, partly due to the receipt of back-paid wages supplementation funding relating to the 2012/13 and 2013/14 financial periods, organic growth in new services in South Australia and growth within Children and Youth Services;
- a strong, but steady operating surplus contribution made by the Supporter Enterprises division of \$1,978,000 compared to a surplus of \$2,071,000 in the previous period. The Supporter Enterprises division provides a much needed financial boost to help close the funding gap between government funding received and the cost of providing services. This division also includes costs associated with brand development in relation to all visual mediums and internal and external promotional publications;
- a further contraction in the operating results from the Employment Services division, down to an operating deficit of (\$1,774,000) for the current year, compared to an operating deficit of (\$1,746,000) in the previous period, driven largely by the challenging business environment faced by the geographically dispersed Queensland based supported employment services and the flow-on effect of the continued downturn in the mining sector;
- non-recurrent corporate project costs associated with the implementation of improved IT systems.

Operating surpluses are necessary to help fund capital expenditure, which is typically not funded from recurrent government subsidies, and to build a buffer for future unexpected business shocks. The current year's operating surplus represents less than 2.98% of operating revenue (2014: 1.10%), providing a marginal, but increasing, operational buffer.

The Group's net surplus for the current financial year, after recognising significant non-operating revenues of \$17,141,000 was \$24,173,000. In the year 2013/14 the Group recorded a comparative net surplus for the year of \$13,638,000 after recognising non-operating revenues of \$11,597,000. In the current period, non-operating revenues included significant net gains on the acquisition of subsidiaries of \$13,998,000 (as detailed further in note 30 to the Financial Statements), gains on property sales of \$390,000 and non-recurrent government capital grants and other capital donations of \$2,753,000 (2014: non-operating revenues included significant net gains on the acquisition of subsidiaries of \$8,203,000, gains on property sales of \$1,234,000 and non-recurrent government capital grants and other capital donations of \$2,160,000).

## Dividends

The Company and its controlled entities are prohibited by their Constitutions from paying dividends.

## Events Subsequent to Balance Date

Since 30 June 2015 and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than already disclosed in the Notes to the Financial Statements.

## **Environmental Regulations**

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Group has an established risk management system which identifies environmental hazards and ensures appropriate controls are adopted. The appropriate licences and consents are in place at each site in accordance with various environmental regulations.

The Directors are not aware of any breaches of the legislation which are material in nature.

## **Review of Operations**

Operations of the Group during the year are reviewed in the Chair's and CEO's report in the separately issued Annual Report.

## **Directors' Benefits**

Information on Directors' benefits is set out in the following notes to the Annual Financial Report:

- (a) No Directors' Fees are payable
- (b) No Related Party Transactions with Directors exist (Note 24 of the full Annual Financial Report)

## **Directors' Interests in Contracts**

No contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the financial year (Note 24 of the full Annual Financial Report).

## **Indemnification and Insurance of Officers**

### **Indemnification**

The Endeavour Foundation Constitution requires Endeavour Foundation to indemnify any person who is an officer of Endeavour Foundation, including the Directors, the Secretary and other executive officers, against a liability incurred as such an officer, unless the liability arises out of conduct involving a lack of good faith. Officers of Endeavour Foundation are also indemnified against a liability for costs and expenses incurred in defending civil or criminal proceedings involving them as such officers, if judgement is given in their favour or if they are acquitted or granted relief.

### **Insurance**

Endeavour Foundation has paid a premium in respect of a contract insuring Directors and Officers of Endeavour Foundation, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions.

The external auditors of Endeavour Foundation are not included in this policy.



### **Non-audit services**

During the year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* for the following reason:

- All non-audit services are subject to the corporate governance procedures adopted by Endeavour Foundation and are reviewed by the Audit & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor.

Details of amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in note 3 to the full Annual Financial Report.


### **Auditor's Independence Declaration**

The Auditor's Independence Declaration is set out on page 10 of the full Annual Financial Report and forms part of the Directors' Report.

### **Rounding**

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars unless otherwise indicated.

Signed on behalf of the Board in accordance with a resolution of Directors.



G B Murdoch – Chairman  
Brisbane  
13<sup>th</sup> October 2015



A G Bellas – Director  
Brisbane  
13<sup>th</sup> October 2015

# Consolidated Balance Sheet

As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Current assets</b>			
Cash and cash equivalents			
- Untied cash		10,234	1,210
- Quarantined cash		11,488	10,695
	4	21,722	11,905
Trade and other receivables		9,683	9,236
Inventories		12,108	12,787
Other current assets		1,974	1,706
Assets classified as held-for-sale		988	615
<b>Total current assets</b>		<b>46,475</b>	<b>36,249</b>
<b>Non-current assets</b>			
Investments		1,150	880
Net defined benefit plan asset		3,388	1,952
Other intangible assets		1,740	713
Investment properties		3,235	-
Property, plant & equipment		108,769	81,142
<b>Total non-current assets</b>		<b>118,282</b>	<b>84,687</b>
<b>Total assets</b>		<b>164,757</b>	<b>120,936</b>
<b>Current liabilities</b>			
Bank overdraft		-	530
Interest bearing loans		1,646	579
Trade and other payables		12,521	9,650
Employee entitlements		15,553	12,607
Revenue received in advance		5,772	5,741
<b>Total current liabilities</b>		<b>35,492</b>	<b>29,107</b>
<b>Non-current liabilities</b>			
Interest bearing loans		14,900	3,581
Revenue received in advance		464	-
Employee entitlements		3,721	3,843
<b>Total non-current liabilities</b>		<b>19,085</b>	<b>7,424</b>
<b>Total liabilities</b>		<b>54,577</b>	<b>36,531</b>
<b>Net assets</b>		<b>110,180</b>	<b>84,405</b>
<b>Equity</b>			
Reserves		997	1,003
Retained earnings		109,183	83,402
<b>Total equity</b>		<b>110,180</b>	<b>84,405</b>

The Consolidated Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.

# Consolidated Income Statement

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Revenue</b>			
Sale of goods and services		65,788	44,363
Fundraising activities		25,182	22,934
Service user contributions		13,060	12,348
Government subsidies		129,495	104,965
Interest income		747	594
Other revenue		1,414	895
	3 (a)	<u>235,686</u>	<u>186,099</u>
<b>Expenses</b>			
Cost of goods sold & commercial fundraising activities		(37,697)	(28,721)
Employee expenses		(124,610)	(99,453)
Supported employee expenses		(16,287)	(14,006)
Utilities & leased property expenses		(14,035)	(9,791)
Transport expenses		(7,617)	(5,999)
Maintenance expenses		(7,453)	(6,973)
Household consumables		(1,829)	(1,794)
Depreciation & amortisation expenses		(8,886)	(7,771)
Interest expense		(311)	(234)
Other expenses		(9,929)	(9,316)
		<u>(228,654)</u>	<u>(184,058)</u>
<b>Operating surplus</b>		7,032	2,041
Government capital expenditure grants and other capital donations	3 (a)	2,753	2,160
Gain on sale of properties	3 (a)	390	1,234
Net gain on business acquisitions	6	13,998	8,203
		<u>24,173</u>	<u>13,638</u>

Divisional Results	Disability & Community Services		Employment Services		Supporter Enterprises		Corporate & Infrastructure		Divisional Eliminations		Total Foundation	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Operating revenue	123,374	89,490	78,325	60,897	32,371	30,830	4,364	4,882	(2,748)	-	235,686	186,099
Operating expenses	(116,578)	(87,962)	(80,099)	(62,643)	(30,393)	(28,759)	(4,332)	(4,694)	2,748	-	(228,654)	(184,058)
<b>Operating surplus/(deficit)</b>	6,796	1,528	(1,774)	(1,746)	1,978	2,071	32	188	-	-	7,032	2,041
Non-operating revenue	26	64	-	85	112	-	17,003	11,448	-	-	17,141	11,597
<b>Net surplus/(deficit) for the year</b>	<b>6,822</b>	<b>1,592</b>	<b>(1,774)</b>	<b>(1,661)</b>	<b>2,090</b>	<b>2,071</b>	<b>17,035</b>	<b>11,636</b>	<b>-</b>	<b>-</b>	<b>24,173</b>	<b>13,638</b>

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements.

# Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>Net surplus for the year</b>	<b>24,173</b>	<b>13,638</b>
<b>Other comprehensive income (Items that will not be reclassified to profit or loss)</b>		
Net increase in fair value of investments	(6)	151
Realised losses on disposal of investments	(28)	(62)
Actuarial adjustment to defined benefit superannuation plan	1,636	1,773
<b>Other comprehensive income for the year</b>	<b>1,602</b>	<b>1,862</b>
<b>Total comprehensive income for the year</b>	<b>25,775</b>	<b>15,500</b>

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Fair value reserve \$'000	Subsidies reserve \$'000	Total reserves \$'000	Retained earnings \$'000	Total Equity \$'000
Total equity at 30 June 2013	456	396	852	68,053	68,905
Total comprehensive income for the year	151	-	151	15,349	15,500
<b>Total equity at 30 June 2014</b>	<b>607</b>	<b>396</b>	<b>1,003</b>	<b>83,402</b>	<b>84,405</b>
Total comprehensive income for the year	(6)	-	(6)	25,781	25,775
<b>Total equity at 30 June 2015</b>	<b>601</b>	<b>396</b>	<b>997</b>	<b>109,183</b>	<b>110,180</b>

*The Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements.*



# Consolidated Cash Flow Statement

For the Year Ended 30 June 2015

	2015 \$'000 Inflows (Outflows)	2014 \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	252,798	198,150
Cash payments to suppliers & employees	(234,886)	(192,899)
Dividends received	59	51
Interest received	721	595
Interest paid	(278)	(213)
Legacies & bequests received	187	433
<b>Net cash provided by operating activities</b>	<b>18,601</b>	<b>6,117</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(29,117)	(9,000)
Acquisition of intangible assets	(1,103)	(628)
Acquisition of investments	(751)	(467)
Proceeds from disposal of property, plant & equipment	2,466	2,013
Proceeds from sale of investments	447	493
Proceeds from non-operational capital grants and donations	2,491	1,647
Cash acquired through business combinations	4,986	432
<b>Net cash utilised in investing activities</b>	<b>(20,581)</b>	<b>(5,510)</b>
<b>Cash flows from financing activities</b>		
Proceeds from interest bearing loans	15,000	-
Repayment of interest bearing loans	(2,673)	(346)
<b>Net cash provided/(utilised) by financing activities</b>	<b>12,327</b>	<b>(346)</b>
<b>Net increase in cash held</b>	<b>10,347</b>	<b>261</b>
Cash at the beginning of the financial year	11,375	11,114
<b>Cash at the end of the financial year</b>	<b>21,722</b>	<b>11,375</b>
<b>Comprised of:</b>		
Untied cash	10,234	1,210
Quarantined cash	11,488	10,695
Bank overdraft	-	(530)
	<b>21,722</b>	<b>11,375</b>

The Consolidated Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements.

# Notes to the Financial Statements

## For the year ended 30 June 2015

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### 1. Reporting Entity

Endeavour Foundation (“the Company”) is a not-for-profit organisation, incorporated as a public company limited by guarantee and is domiciled in Australia. The address of the Company’s registered office is 33 Corporate Drive, Cannon Hill, QLD 4170.

The consolidated financial statements of the Company for the financial year ended 30 June 2015 comprise the Company and its controlled entities (together referred to as “the Group”).

The principal activities of the Group are to provide support to people with disabilities and their families, and individuals and communities who have significant personal, social, economic and cultural disadvantage in accessing services and resources, through a range of flexible services, including residential accommodation, in-home support, adult education, life style support, drug prevention and public safety programs, services for disengaged young people and people experiencing mental illness, supported employment services and apprenticeship and traineeship qualifications.

### 2. Basis of preparation of Summary Financial Report

#### (a) Basis of Preparation

The financial statements and specific disclosures included in this Summary Financial Report have been derived from the Group’s full Annual Financial Report for the financial year. Other information included in the Summary Financial Report is consistent with the full Annual Financial Report. The Summary Financial Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full Annual Financial Report.

A full description of the accounting policies adopted by the Group may be found in the full Annual Financial Report, which was approved by the Directors on 13th October 2015.

#### (b) Basis of Measurement

The financial statements have been prepared on an accruals basis and are based on historical costs, except for:

- Investments measured at fair value through an equity fair value reserve; and
- The defined benefit plan asset/(liability) is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation; and
- Revenue is recognised on an accruals basis with the exception of dividends, donations, bequests and legacies which are accounted for on a cash basis.

Except as noted above, the financial report does not take into account changing money values or fair values of non-current assets.

A full description of the accounting policies adopted by the Group may be found in the full Annual Financial Report. These accounting policies have been applied consistently to all periods presented in the financial statements, except where otherwise noted.

In the opinion of the Directors, having regard to the not-for-profit nature of the Group's business, the terms "Profit" or "Loss" are not appropriate. Accordingly, the words "Surplus/(Deficit)" have been substituted for the terms "Profit/(Loss)".

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

### **(c) Functional Currency**

The financial statements are presented in Australian Dollars rounded to the nearest thousand unless otherwise stated (ASIC Class order 98/100).

### **(d) Use of Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes of the full Annual Financial Report:

Note 9 – Non-current Assets – Investments

Note 10 – Non-current Assets – Defined Benefit Plan Asset

Note 13 – Non-current Assets – Property, Plant & Equipment.

**Notes to the Financial Statements (cont)**  
**For the year ended 30 June 2015**

	2015 \$'000	2014 \$'000
<b>3 (a) OPERATING REVENUE AND OTHER INCOME</b>		
Sale of goods and services	65,788	44,363
Fundraising activities		
- Commercial fundraising activities	22,509	21,319
- Donations & appeals	1,218	647
- Special functions	839	433
- Bequests & legacies	523	433
- Community grants	93	102
	25,182	22,934
Service user contributions		
- Accommodation	9,946	9,248
- Learning & Lifestyle	1,564	1,612
- Transport	1,550	1,488
	13,060	12,348
State Government subsidies	98,081	77,644
Federal Government subsidies	31,414	27,321
Dividend income	59	51
Interest income	747	594
Other revenue	1,355	844
<b>Total operating revenue</b>	<b>235,686</b>	<b>186,099</b>
<b>Non-operating revenue</b>		
Government capital expenditure grants & other capital donations		
- Other non-recurrent Government capital grants	1,377	1,523
- Gambling Community Benefit Fund capital grants	564	637
- Other capital donations	812	-
	2,753	2,160
Gain on sale of property	390	1,234
Net gains on business acquisitions	13,998	8,203
	<b>17,141</b>	<b>11,597</b>
<b>Total revenue and other income for the period</b>	<b>252,827</b>	<b>197,696</b>



	2015 \$'000	2014 \$'000
<b>3 (b) CHARITABLE FUNDRAISING ACTIVITIES</b>		
Details of income and expenditure for specific fundraising activities, all of which have been recognised in these financial statements are as follows :		
Gross fundraising revenues (per income statement)	25,182	22,934
Community grants in non-operating income	564	637
Capital donations in non-operating income	812	-
Direct costs of commercial fundraising activities	(17,153)	(16,197)
<b>Net Fundraising Revenue</b>	<b>9,405</b>	<b>7,374</b>
Indirect fundraising expenses	(2,842)	(1,887)
<b>Net Fundraising Contribution</b>	<b>6,563</b>	<b>5,487</b>
Fundraising Efficiency Ratio (Net Fundraising Contribution / Net Fundraising Revenue)	69.78%	74.41%

#### 4. CASH AND CASH EQUIVALENTS

Untied cash	10,234	1,210
Quarantined cash	11,488	10,695
<b>Cash and cash equivalents in the balance sheet</b>	<b>21,722</b>	<b>11,905</b>
Bank overdraft	-	(530)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>21,722</b>	<b>11,375</b>

For cash management purposes, the Group operates a treasury function that notionally distinguishes between Untied cash and Quarantined cash.

Quarantined cash represents revenue received in advance of \$6,236,000 (2014: \$5,741,000) which is available for draw down only once the services they are meant to fund have actually been delivered and other cash reserves of \$5,252,000 (2014: \$4,954,000) that have been internally designated for a specific purpose, mainly to fund the establishment of a Capital Future Fund that will finance proposed infrastructure projects over the next five to ten years.

#### 5. ECONOMIC DEPENDENCY

The Company receives a significant portion of its operating revenue in the form of grants from the Queensland State Government and the Commonwealth Government of Australia.

6. BUSINESS COMBINATIONS

Community Solutions Group (CSG)

On 1 October 2014 Endeavour Foundation acquired 100% control of the “Community Solutions Group”, in a single transaction, via a mutual agreement to amalgamate the operations of the “Community Solutions Group” with those of Endeavour Foundation. The “Community Solutions Group” comprised of three separate entities: Community Solutions Group Ltd, Community Assets Australia Ltd and Acclaim Apprentices and Trainees Ltd. The three entities are Queensland-based organisations that provide a diverse range of support services and opportunities for individuals, families and communities in regional Australia. The diverse range of services include: employment and assistance for people with barriers to employment, apprenticeships and traineeships, family support, drug prevention and public safety programs, as well as services for disengaged young people and people experiencing mental illness.

The amalgamation brings together the best of the cultures, capabilities, practices and systems of the four entities, as well as the diverse range of service offerings and will position the combined organisation to be able to better compete on a national stage under the increasingly competitive service environment anticipated under the National Disability Insurance Scheme (NDIS). As a single entity, the merged organisations will be better placed to ensure the people who receive support have access to services and choices they require to achieve control and independence under the NDIS. It also provides increased diversity in revenue streams.

The amalgamation was settled for no consideration, with the following identifiable assets acquired and liabilities assumed, at the acquisition date:

Identifiable assets acquired and liabilities assumed	\$'000
Investment properties	2,250
Property, plant and equipment	9,276
Trade and other receivables	2,485
Cash and cash equivalents	4,986
Interest bearing liabilities	(59)
Employee entitlements	(1,143)
Trade and other payables	(3,797)
Net identifiable assets and liabilities acquired	13,998
Acquisition consideration paid	-
<b>Gain on acquisition of subsidiary for no consideration</b>	<b>13,998</b>

The values of assets and liabilities recognised on acquisition are their estimated fair values. No material separately identifiable and quantifiable transaction costs were incurred in relation to this acquisition.

In the nine months to 30 June 2015, the acquired operations contributed revenues of \$19,020,000 and a net surplus of \$352,000. If the acquisition had occurred on 1 July 2014, management estimates that the Group’s consolidated total revenue would have been \$241,506,000 and the consolidated net surplus would have been \$24,181,000. In determining these amounts, management has assumed that any fair value adjustments recognised on the acquisition date would have been the same and that revenue and operating surpluses would have accrued at a consistent rate throughout the 12 month period.

## 2014 Business Combinations

During the financial year ended 30 June 2014, the following business combination transactions were undertaken:

### VATMI Industries Limited (VATMI)

On 27 November 2013, Endeavour Foundation acquired 100% control of VATMI Industries Ltd, for no consideration, via a mutual agreement to amalgamate the operations of the two entities. VATMI was established in 1958 and was a registered provider of 270 supported employment service placements for people with a disability, from sites situated in Melbourne, Bendigo and Wangaratta.

The amalgamation secured the continued employment of 270 supported employees and ensured the long term commercial viability of this employment service in readiness for the introduction of the National Disability Insurance Scheme. The amalgamation also expanded Endeavour Foundation's presence along the entire Eastern seaboard, expanded its customer base, introduced new commercial opportunities in the Victorian market and leveraged VATMI's experience and skill set in key markets.

### National Disability Living Solutions Limited (NDLS)

On 1 July 2013, Endeavour Foundation acquired 100% control of National Disability Living Solutions Ltd, for no consideration, via a mutual agreement with Kyabra Community Association Inc. National Disability Living Solutions Ltd was established on 19 January 2012, through a collaboration between Endeavour Foundation and Kyabra Community Association Inc. as a charitable institution to assist with providing and managing built environment solutions for people with a disability or other disadvantaged groups.

These amalgamations were settled for no consideration, with the following identifiable assets acquired and liabilities assumed, at the acquisition date:

	<b>VATMI</b>	<b>NDLS</b>
	<b>2014</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	13,195	1,516
Intangible assets	14	-
Inventories	256	-
Trade and other receivables	1,184	43
Cash and cash equivalents	3	985
Bank overdraft	(556)	-
Interest bearing liabilities	(4,474)	(32)
Employee entitlements	(1,077)	-
Trade and other payables	(1,312)	(1,101)
Net identifiable assets and liabilities acquired	7,233	1,411
Acquisition consideration paid	-	-
<b>Gain on acquisition of subsidiaries for no consideration</b>	<b>7,233</b>	<b>1,411</b>

## Notes to the Financial Statements (cont)

### For the year ended 30 June 2015

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#### Down Under Safety (DUS)

On 15 May 2014, Endeavour Foundation acquired the business undertaking of Down Under Safety, from Downunder Distribution Group Pty Ltd.

The acquisition was settled for a cash consideration of \$1,872,000, with the following identifiable assets acquired and liabilities assumed, at the acquisition date:

	<b>2014</b>
<b>Identifiable assets acquired and liabilities assumed</b>	<b>\$'000</b>
Inventories	1,390
Plant & equipment	59
Annual leave liabilities	(18)
Goodwill	441
<b>Acquisition consideration paid</b>	<b>1,872</b>

The values of assets and liabilities recognised on acquisition were their estimated fair values. Management determined that the goodwill on acquisition was not recoverable and it was written off on acquisition. No material separately identifiable and quantifiable transaction costs were incurred in relation to this acquisition.

#### Net gain arising from business combinations in 2014

A net gain on business combinations arising from the above transactions was recognised as non-operating income in the Consolidated Income Statement of the Group for the year ended 30 June 2014, as follows:

	<b>2014</b>
	<b>\$'000</b>
Gain on acquisition of control of VATMI	7,233
Gain on acquisition of control of NDLS	1,411
Goodwill on acquisition of DUS, written off	(441)
<b>Net gain arising from business combinations</b>	<b>8,203</b>



## 7. GROUP ENTITIES

	2015 %	2014 %
<b>Particulars in relation to controlled entities, all of which are incorporated in Australia</b>		
Endeavour Foundation Endowment Challenge Fund Limited	100%	100%
Endeavour Foundation Endowment Challenge Fund Trust	100%	100%
VATMI Industries Limited	100%	100%
National Disability Living Solutions Limited	100%	100%
Community Solutions Group Limited	100%	-
Community Assets Australia Limited	100%	-
Acclaim Apprentices and Trainees Limited	100%	-

**Endeavour Foundation Endowment Challenge Fund.** Endeavour Foundation is the founding and sole member of Endeavour Foundation Endowment Challenge Fund Limited, a company limited by guarantee and the corporate trustee for the Endeavour Foundation Endowment Challenge Fund Trust, both of which were established on 3 December 2009.

The Endeavour Foundation Endowment Challenge Fund is a health-promoting charity and seeks to benefit the wider Australian disability sector as a whole, with an emphasis on people with an intellectual disability, through the provision of grants to fund research, scholarships and other education opportunities in the academic and research arenas relevant to the Australian disability sector. Grants are also made to support the engagement and broader participation by people with a disability in the world in which we live, so that they can lead ordinary lives.

**VATMI Industries Limited**, a company limited by guarantee is a provider of supported employment services in Melbourne, Bendigo and Wangaratta. The entity was acquired through a business combination on 27 November 2013 as further details in Note 6 Business Combinations.

**National Disability Living Solutions Limited**, a company limited by guarantee, provides and manages built environment solutions for people with a disability or other disadvantaged groups. The entity was acquired through a business combination on 1 July 2013, as further detailed in Note 6 Business Combinations.

**Community Solutions Group Limited**, a company limited by guarantee, provides a diverse range of services including employment and assistance for people with barriers to employment, family support, drug prevention and public safety programs, as well as services for disengaged young people and people experiencing mental illness. The entity was acquired through a business combination on 30 September 2014, as further detailed in Note 6 Business Combinations.

**Community Assets Australia Limited**, a company limited by guarantee, operates as a property investment entity, holding commercial properties in key regional areas in order to lease office space to community organisations. The entity was acquired through a business combination on 30 September 2014, as further detailed in Note 6 Business Combinations.

**Acclaim Apprentices and Trainees Limited**, a company limited by guarantee, provides a range of apprenticeship and traineeship qualifications and employment placement support. The entity was acquired through a business combination on 30 September 2014, as further detailed in Note 6 Business Combinations.

**Notes to the Financial Statements (cont)**  
**For the year ended 30 June 2015**

**8. PARENT ENTITY DISCLOSURES**

As at, and throughout the financial year ending 30 June 2015 the parent company of the Group was Endeavour Foundation.

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Results of the parent entity</b>		
Net surplus for the year	8,868	4,981
Other comprehensive income	1,636	1,773
Total comprehensive income for the year	<u>10,504</u>	<u>6,754</u>
<b>Financial position of the parent entity at year end</b>		
Current assets	42,276	35,312
Total assets	132,847	104,091
Current liabilities	30,264	25,521
Total liabilities	47,512	29,260
<b>Total equity of the parent entity comprising of</b>		
Subsidies reserve	396	396
Retained earnings	84,939	74,435
<b>Total equity</b>	<u>85,335</u>	<u>74,831</u>

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the balance date, Endeavour Foundation on 1 July 2015 acquired control of TORGAS Incorporated, SkillsPlus Limited and BRACE Education & Training Limited, for no consideration, via agreement between the respective Boards to merge the operations and net assets with those of Endeavour Foundation. The merged entities will be better positioned to take advantage of opportunities and respond to threats arising from the implementation of the National Disability Insurance Scheme. The value of the net assets that these mergers would add to the Group at the acquisition date had not been reliably determined at the date of this financial report.

The Directors are not aware of any material events occurring after balance date and the date of this report that would require further disclosure in these financial statements.

## **Directors' Declaration**

In the opinion of the Directors of Endeavour Foundation ("the Company"):

- (a) the Company is not publicly accountable;
- (b) the summary consolidated financial statements and notes set out on pages 54 to 62 are derived from the full annual financial report of Endeavour Foundation for the year ended 30 June 2015. The full annual financial report is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



G B Murdoch – Chairman  
Brisbane  
13<sup>th</sup> October 2015



A G Bellas – Director  
Brisbane  
13<sup>th</sup> October 2015

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## Report of the independent auditor on the summary financial statements to the members of Endeavour Foundation

The accompanying summary financial statements of the Group comprising Endeavour Foundation (the Foundation) and the entities it controlled at the year's end or from time to time during the financial year which comprise the consolidated balance sheet as at 30 June 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, related notes 1 to 9 and the directors' declaration, are derived from the audited financial report of the Group for the year ended 30 June 2015.

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012* applied in the preparation of the audited financial report of Endeavour Foundation. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Endeavour Foundation.

### *Directors' responsibility for the summary financial report*

The Directors are responsible for the preparation of a summary of the audited financial report on the basis described in Note 2 and for such internal control as the directors determine necessary to enable the preparation of the summary financial report.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the summary financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of Endeavour Foundation for the year ended 30 June 2015. We expressed an unmodified audit opinion on the financial report in our report dated 13th October 2015. The Australian 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 for the year is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the summary financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the summary financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the summary financial report in order to design 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. Our procedures included testing that the information in the summary financial report is derived from, and is consistent with, the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the summary financial report complies with Australian Accounting Standards. 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 Charities and Not-for-profits Commission Act 2012*.

### *Auditor's opinion*

In our opinion, the summary financial statements derived from the audited financial report of Endeavour Foundation for the year ended 30 June 2015 are a fair summary, in all material respects, of the audited financial report, on the basis described in Note 2.



KPMG



Scott Guse *Partner*  
Brisbane 13th October 2015





## QArt Gallery

Featured cover artworks by the talented artists with a disability employed at Endeavour Foundation's QArt Studio based in Kew, Melbourne.



[twitter.com/endeavourf](https://twitter.com/endeavourf)



[youtube.com/user/EndeavourFoundation](https://youtube.com/user/EndeavourFoundation)



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