

**TLC FOR KIDS INC.**

**ABN 34 335 920 537**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2014**

**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**TABLE OF CONTENTS**

Committee's Report	1
Financial Statements	
Statement of Profit or Loss	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 10
True and Fair Certification by the Members of the Committee	11
Statement by the Chairperson of the Committee	12
Independent Auditor's Report	13 - 14
Auditor's Independence Declaration	15



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**COMMITTEE'S REPORT**

Your committee members submit their report of the TLC for Kids Inc ("Association") for the financial year ended 30 June 2014.

**Committee Members**

The names of committee members in office at any time during or since the end of the year are:

<u>Name</u>	<u>Meetings Attended</u>	<u>Meetings Held*</u>
Andrew Schepisi (Chairperson)	6	6
Anton Mihoc (Treasurer)	2	6
Ralph Alphonso	6	6
Gillian Baker	1	6
Tim Conolan	6	6
Zoe Gladio	3	6
Val Harding	5	6
Michael Luddeni	5	6
Geoff Jackson	2	6
Lynda White	1	6

\*Meetings held during the tenure of the committee members

**Principal Activities**

The principal activities of the association during the financial year were the provision of family and children based services.

**Significant Changes**

No significant changes in the association's state of affairs occurred during the financial year, which are not highlighted in this report.

**Operating Result**

The net surplus after providing for income tax amounted to \$86,337 (2013: Net Deficit \$117,575).

**Indemnification of Officer**

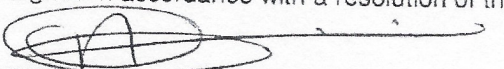
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.


During or since the end of the previous financial year, a Member of the Association has not received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Members shown in the accounts, or the fixed salary of a full-time employee of the Association), by reason of a contract made by the Member with the Association or with a firm of which he/she is a member or with a company in which he/she has a substantial interest.

No person has applied for leave of a Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Members of the Committee.

  
Chairperson - Andrew Schepisi  
Dated this 13<sup>th</sup> day of OCTOBER 2014

  
Treasurer - Anton Mihoc  
Dated this 10<sup>th</sup> day of OCTOBER 2014



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Statement of Profit or Loss**  
**For the Year ended 30 June 2014**

	Note	2014	2013
		\$	\$
Revenue		965,231	802,039
Donations In-Kind	10	99,085	70,392
Borrowing Cost Expense		-	(1)
Employee Benefits Expenses		(366,155)	(415,690)
Depreciation and Amortisation		(8,999)	(9,653)
Other Expenses	10	<u>(602,825)</u>	<u>(564,662)</u>
<b>Gain/(Loss) before Income Tax</b>		86,337	(117,575)
Income Tax Expenses		-	-
<b>Gain/(Loss) from Operations</b>		<u><u>86,337</u></u>	<u><u>(117,575)</u></u>



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Statement of Financial Position**  
**As at 30 June 2014**

	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	2	136,184	64,845
Trade and Other Receivables	3	<u>27,695</u>	<u>12,846</u>
<b>Total Current Assets</b>		163,879	79,066
<b>Non-Current Assets</b>			
Plant and Equipment	4	17,927	19,066
Intangible Assets	5	<u>21,544</u>	<u>27,408</u>
<b>Total Non-Current Assets</b>		39,471	46,474
<b>Total Assets</b>		<u>203,350</u>	<u>125,540</u>
<b>Current Liabilities</b>			
Trade and Other Payables	6	9,494	20,044
Provisions	7	<u>88,135</u>	<u>86,111</u>
<b>Total Current Liabilities</b>		97,629	106,155
<b>Total Liabilities</b>		<u>97,629</u>	<u>106,155</u>
<b>Net Assets</b>		<u>105,721</u>	<u>19,385</u>
<b>Equity</b>			
Retained Earnings	8	105,722	19,385
<b>Total Equity</b>		<u>105,722</u>	<u>19,385</u>

**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Statement of Cash Flows**  
**For the Year ended 30 June 2014**

	Note	2014 \$	2013 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		1,002,994	1,033,940
Payments to Suppliers and Employees		(929,697)	(1,119,508)
Interest Received		2	140
Finance Costs		-	1
<b>Net Cash Inflows/ (Outflow) from Operating Activities</b>	9	<u>73,299</u>	<u>(85,427)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for Property Plant and Equipment		(1,960)	-
Payments for Trademarks		-	(545)
<b>Net Cash Inflow/ (Outflow) from Investing Activities</b>		<u>(1,960)</u>	<u>(545)</u>
Net Increase/ (Decrease) in Cash Held		<u>71,339</u>	<u>(85,975)</u>
Cash and Cash Equivalents at the beginning of the year		<u>64,845</u>	<u>150,819</u>
<b>Cash and Cash Equivalents at the end of the year</b>		<u><u>136,184</u></u>	<u><u>64,845</u></u>



**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

**Note 1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (and associated Regulations). The committee has determined that the association is not a reporting entity.

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

AASB101: Presentation of Financial Statements;

AASB107: Statement of Cash Flows;

AASB108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB1004: Contributions;

AASB1031: Materiality;

AASB1048: Interpretation of Standards; and

AASB1054: Australian Additional Disclosures.

No other Accounting Standards, Accounting Interpretations or other pronouncements of the Australian Accounting Standards Board have been applied.

The financial statements have been prepared on an accruals basis and have been based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

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

**a) Plant and Equipment**

Leasehold developments and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**b) Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**c) Employee Benefits**

Provisions are made for the company's liability for employee benefits arising from services rendered by employees to the balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

**Note 1 Statement of Significant Accounting Policies (cont'd)**

**d) Provisions**

Provisions are recognised only when the company has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will result and the outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the reporting date.

**e) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

**f) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the 'effective interest rate method', which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income are recognised when the entity obtains control over the funds which are generally at the time of the receipt.

All revenue is stated net of the amount of goods and services tax (GST).

**Donations in-kind**

TLC for kids receives "in-kind" services and goods (donated to the Rapid TLC program) from a number of individuals and organisations to enable it to achieve its objectives. TLC for kids recognises an expense and associated revenue for these 'in-kind' services in the financial report. The 'in-kind' services received are disclosed in note 10.

No amounts are included in the financial statements for services donated by volunteers.

**g) Leases**

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives, or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.



**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

**Note 1 Statement of Significant Accounting Policies (cont'd)**

**h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**i) Investments**

Investments held are originally recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at reporting date. Movements in fair value are recognised through an equity reserve.

**j) Employee Entitlements**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Employee entitlements expenses and revenues arising in respect to wages and salaries, non-monetary benefits, annual leave, long service leave, sick and other types of leave entitlements are recognised against profits on a net basis in their respective categories.

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

**k) Trade and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding donation/grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**l) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the association prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**m) Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 Cash and Cash Equivalents</b>		
Cash and Cash Equivalent	45,893	56,205
Cash and Cash Equivalent	500	7,859
Cash and Cash Equivalent	88,837	300
Cash and Cash Equivalent	623	-
Cash and Cash Equivalent	12	12
Cash on hand	319	469
<b>Total Cash and Cash Equivalents</b>	<u>136,184</u>	<u>64,845</u>
<b>Note 3 Trade and Other Receivables</b>		
<b>Current</b>		
Pledges Receivable	-	1,740
Accounts Receivable	13,300	-
GST Refundable	13,019	11,106
Security Bond	1,375	1,375
<b>Total Trade and Other Receivables</b>	<u>27,695</u>	<u>12,846</u>
<b>Note 4 Plant &amp; Equipment</b>		
<b>Plant &amp; Equipment</b>		
Plant & Equipment	36,866	35,996
Less Accumulated Depreciation	<u>25,378</u>	<u>23,904</u>
	11,488	12,092
Motor Vehicles	29,905	29,905
Less Accumulated Depreciation	<u>26,661</u>	<u>25,915</u>
	3,244	3,990
Office Equipment & Computers	24,648	23,558
Less Accumulated Depreciation	<u>21,453</u>	<u>20,574</u>
	3,195	2,985
<b>Total Plant &amp; Equipment</b>	<u>17,927</u>	<u>19,066</u>



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5 Intangible Assets</b>		
<b>Trademarks</b>		
Trademarks	16,105	16,105
Less Accumulated Amortisation	<u>10,248</u>	<u>6,974</u>
	5,857	9,132
<b>Website Development Costs</b>		
Website Development Costs	25,940	25,940
Less Accumulated Amortisation	<u>10,253</u>	<u>7,664</u>
	15,686	18,276
<b>Total Intangible Assets</b>	<u><u>21,544</u></u>	<u><u>27,408</u></u>
<b>Note 6 Trade and Other Payables</b>		
<b>Current</b>		
PAYG Payable	2,728	2,686
Credit Cards	6,480	8,708
Superannuation Payable	285	8,003
Employee Benefit Payable	-	648
<b>Total Trade and Other Payables</b>	<u><u>9,493</u></u>	<u><u>20,044</u></u>
<b>Note 7 Provisions</b>		
<b>Current</b>		
Provision for Audit Fees	3,135	-
Provision for Annual Leave	37,547	45,647
Provision for Long Service Leave - Current	<u>45,772</u>	<u>40,464</u>
	86,454	86,111
<b>Non Current</b>		
Provision for Long Service Leave - Non Current	<u>1,680</u>	-
<b>Total Provisions</b>	<u><u>88,135</u></u>	<u><u>86,111</u></u>
<b>Note 8 Retained Earnings</b>		
Retained Earnings at the Beginning of the Financial Year	19,385	136,960
<b>Add</b>		
Net Profit attributable to members of the organisation	86,337	-
<b>Less</b>		
Net loss attributable to members of the organisation	-	117,575
<b>Retained Earnings at the End of the Financial Year</b>	<u><u>105,722</u></u>	<u><u>19,385</u></u>



**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**

**Notes to the Financial Statements**  
**For the Year ended 30 June 2014**

	2014 \$	2013 \$
<b>Note 9 Cash Flow Information</b>		
Reconciliation of cash flow from operations with profit before income tax		
Profit/(loss) before income tax	86,337	(117,575)
Add: Depreciation	8,999	9,653
Changes in Net Assets and Liabilities:		
- Decrease/(Increase) in Receivables and Other Current Assets	(13,510)	11,896
- Increase/(Decrease) in Payables	(10,551)	2,479
- Increase/(Decrease) in Provisions	2,024	8,120
<b>Cash Flows from Operations</b>	<u>73,299</u>	<u>(85,427)</u>

**Note 10 Donations in Kind**

TLC for kids relies upon a network of organisations and individuals to enable it to achieve its objectives, some of which do not charge TLC for kids for their goods (donated to the Rapid TLC program) and services, or part of their services. TLC for kids records these as 'in-kind' services received as both revenue and expenditure as detailed in note 1(f).

Rent expense donation	42,000	42,000
Software licence donation	21,600	21,600
Fixed Asset donation	-	192
Courier services Australia wide	15,000	15,000
Accounting services donation	6,600	6,600
Other various donations	13,885	-
	<u>99,085</u>	<u>70,392</u>

**Note 11 Association Details**

The principal place of business and registered office of the association is:

City Village, Level 8, 225 Bourke Street  
Melbourne, Victoria 3000.




TLC FOR KIDS INC.  
ABN 34 335 920 537

**TRUE AND FAIR CERTIFICATION BY THE MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2014**

We, Andrew Schepisi and Anton Mihoc, being members of the committee of TLC for kids Inc, certify that -

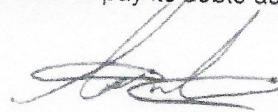
The statements attached to this certificate give a true and fair view of the financial position and performance of TLC for Kids Inc. during and at the end of the financial year of the association ending on 30 June 2014.

There are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.



Chairperson - Andrew Schepisi

Dated this 13 day of OCTOBER 2014



Treasurer - Anton Mihoc

Dated this 10<sup>th</sup> day of OCTOBER 2014



TLC FOR KIDS INC.  
ABN 34 335 920 537

TRUE AND FAIR CERTIFICATION BY THE CHAIRPERSON OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2014

I, Andrew Schepisi of 1102/221 STUART STREET SEVENTHBANK. certify that:

- (a) I attended the annual general meeting of the association held on 14TH OCTOBER 2014.
- (b) The financial statements for the year ended 30 June 2014 were submitted to the members of the association at its annual general meeting.



Chairperson - Andrew Schepisi

Dated this 14TH day of OCTOBER 2014





Our Ref

Your Ref

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE COMMITTEE MEMBERS OF TLC FOR KIDS INC.**

### **Scope**

We have audited the accompanying financial report, being a special purpose financial report of TLC for kids Inc. for the year ended 30 June 2014 as set out on pages 2 to 10. The financial report comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and statement of cash flows for the year then ended 30 June 2014, a summary of significant accounting policies, other explanatory notes, true and fair certification by members of the committee and the certificate by the Chairperson of the committee.

### **Committee's Responsibility for the Financial Report**

The Committee of the Association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (and associated Regulations) and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the committee, as well as evaluating the overall presentation of the financial report.

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

***(Independent Audit Report continued over page...)***



## INDEPENDENT AUDITOR'S REPORT (CONT...)

### **Independence**

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

### **Qualification**

It is not practicable for TLC for kids Inc to establish controls over receipts prior to their initial entry in the accounting records, nor is it practicable for us to ensure all such revenue has been brought to account. Our examination related to receipts was therefore limited to the amount included in the records of the Association.

### **Qualified Audit Opinion**

In our opinion, subject to the matters referred to in the qualification paragraph, and except for such adjustments, if any, as might have been determined to be necessary as a consequence of same, the financial report of TLC for kids Inc presents fairly, in all material respects, the financial position of TLC For Kids Inc as at 30 June 2014 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and Associations Incorporation Reform Act 2012 (and associated Regulations).

*MCG Partners*  
**MCG PARTNERS**

Chartered Accountants

*Budhiraja*  
**HARISH BUDHIRAJA**  
Partner

Camberwell  
Melbourne

Date: 14<sup>th</sup> October 2014





MCG Partners  
Chartered Accountants

Our Ref

Your Ref

## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE COMMITTEE MEMBERS OF TLC FOR KIDS INC.

In relation to our audit of the financial report of TLC for kids Inc for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

MCG Partners did not receive remuneration for non-audit services during the financial year.

*MCG Partners*  
**MCG PARTNERS**  
Chartered Accountants

*Hirish*  
**HARISH BUDHIRAJA**  
Partner

Camberwell

Melbourne

Date: 14<sup>th</sup> October 2014