

TLC FOR KIDS INC.

ABN 34 335 920 537

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

TLC FOR KIDS INC.
ABN 34 335 920 537
FOR THE YEAR ENDED 30 JUNE 2015

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TLC FOR KIDS INC.
ABN 34 335 920 537

RESPONSIBLE ENTITIES REPORT

Your Responsible Entities submit their report of the TLC for Kids Inc ("Association") for the financial year ended 30 June 2015.

Responsible Entities

The names of Responsible Entities 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)	4	5
Anton Mihoc (Treasurer)	5	5
Ralph Alphonso	5	5
Gillian Baker	5	5
Timothy Conolan	5	5
Zoe Gladio	3	5
Val Harding (Resigned 31/10/2014)	2	5
Michael Luddeni	4	5
Geoffrey Jackson	5	5

*Meetings held during the tenure of the Responsible Entities

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 \$53,368 (2014: Net Surplus \$86,337).

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 association.

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 entity in which he/she has a substantial interest.

Likely developments in the operations of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the association.

TLC FOR KIDS INC.
ABN 34 335 920 537

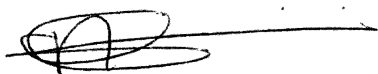
RESPONSIBLE ENTITIES REPORT

The association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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

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

Signed in accordance with a resolution of the Responsible Entities.



Chairperson - Andrew Schepisi
Dated this 4 day of September 2015



Treasurer - Anton Mihoc
Dated this 4 day of September 2015

TLC FOR KIDS INC.
ABN 34 335 920 537

Statement of Income and Expenditure
For the Year ended 30 June 2015

	Note	2015	2014
		\$	\$
Revenue		1,134,766	965,231
Donations In-Kind	10	48,019	99,085
Employee Benefits Expenses		(414,561)	(366,155)
Depreciation and Amortisation		(10,057)	(8,999)
Other Expenses		<u>(704,799)</u>	<u>(602,825)</u>
Surplus before Income Tax		53,368	86,337
Income Tax Expenses		-	-
Net Surplus from Operations		<u><u>53,368</u></u>	<u><u>86,337</u></u>

The accompanying notes form part of these financial statements

TLC FOR KIDS INC.
ABN 34 335 920 537

Statement of Financial Position
As at 30 June 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents	2	185,446	136,184
Trade and Other Receivables	3	<u>26,802</u>	<u>27,695</u>
Total Current Assets		212,248	163,879
Non-Current Assets			
Plant and Equipment	4	38,806	17,927
Intangible Assets	5	<u>15,733</u>	<u>21,544</u>
Total Non-Current Assets		54,539	39,471
Total Assets		<u>266,787</u>	<u>203,350</u>
Current Liabilities			
Trade and Other Payables	6	11,070	9,493
Provisions	7	<u>94,680</u>	<u>88,135</u>
Total Current Liabilities		105,750	97,628
Non-Current Liabilities			
Provisions	7	<u>1,947</u>	<u>-</u>
Total Non-Current Liabilities		1,947	-
Total Liabilities		<u>107,697</u>	<u>97,628</u>
Net Assets		<u>159,090</u>	<u>105,722</u>
Equity			
Accumulated Surplus	8	159,090	105,722
Total Equity		<u>159,090</u>	<u>105,722</u>

The accompanying notes form part of these financial statements

TLC FOR KIDS INC.
ABN 34 335 920 537

Statement of Changes in Equity
For the Year ended 30 June 2015

	Retained Surplus/(loss)	Total
	\$	\$
Balance at 1 July 2013	19,385	19,385
Surplus attributable to members	86,337	86,337
Balance as at 30 June 2014	<u>105,722</u>	<u>105,722</u>
Balance at 1 July 2014	105,722	105,722
Surplus attributable to members	53,368	53,368
Balance as at 30 June 2015	<u>159,090</u>	<u>159,090</u>

The accompanying notes form part of these financial statements

TLC FOR KIDS INC.
ABN 34 335 920 537

Statement of Cash Flows
For the Year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts from Customers		1,191,052	1,002,994
Payments to Suppliers and Employees		(1,116,668)	(929,697)
Interest Received		1	2
Net Cash Inflows/ (Outflow) from Operating Activities	9	<u>74,385</u>	<u>73,299</u>
Cash Flows from Investing Activities			
Payments for Property Plant and Equipment		<u>(25,123)</u>	<u>(1,960)</u>
Net Cash Inflow/ (Outflow) from Investing Activities		<u>(25,123)</u>	<u>(1,960)</u>
Net Increase in Cash Held		<u>49,262</u>	<u>71,339</u>
Cash and Cash Equivalents at the beginning of the year		<u>136,184</u>	<u>64,845</u>
Cash and Cash Equivalents at the end of the year		<u><u>185,446</u></u>	<u><u>136,184</u></u>

The accompanying notes form part of these financial statements

TLC FOR KIDS INC.
ABN 34 335 920 537

Notes to the Financial Statements
For the Year ended 30 June 2015

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 Australian Charities and Not for Profits Commission Act 2012. The responsible entities have determined that the association is not a reporting entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of -

AASB101: Presentation of Financial Statements;

AASB107: Statement of Cash Flows;

AASB108: Accounting Policies, Changes in Accounting Estimates and Errors; 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 association 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 statement of income and expenditure.

c) Employee Benefits

Provisions are made for the association's liability for employee benefits arising from services rendered by employees to the statement of financial position. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

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Notes to the Financial Statements
For the Year ended 30 June 2015

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

d) Provisions

Provisions are recognised only when the association 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 association 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 2015

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 Australian 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 statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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 association'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 association to an employee superannuation fund and are charged as expenses when incurred.

k) Accounts Receivable 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) Accounts Payable 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 association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. TLC for Kids Inc is endorsed as a Deductible Gift Recipient (DGR) under Section 30-15 of the Income Tax Assessment Act 1997.

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Notes to the Financial Statements
For the Year ended 30 June 2015

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

n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an accounting policy is applied retrospectively, retrospective restatement or reclassification of items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period is disclosed.

(o) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through statement of income and expenditure", in which case transaction costs are recognised as expenses in statement of income and expenditure immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in statement of income and expenditure.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Notes to the Financial Statements
For the Year ended 30 June 2015

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

(o) Financial Instruments (cont'd)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through statement of income and expenditure" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in statement of income and expenditure.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in statement of income and expenditure through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in statement of income and expenditure through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into statement of income and expenditure.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in statement of income and expenditure through the amortisation process and when the financial liability is derecognised.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The responsible entities' assessment of the new and amended pronouncements is that the new standards are not relevant to the association and are not expected to impact the association's financial statements.

TLC FOR KIDS INC.
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Notes to the Financial Statements
For the Year ended 30 June 2015

	2015	2014
	\$	\$
Note 2 Cash and Cash Equivalents		
Cash at Bank - 8912	145,016	45,893
Cash at Bank - 8053	500	500
Cash at Bank - 8037	39,659	88,837
Cash Equivalent	-	623
Cash Equivalent	12	12
Cash on hand	259	319
Total Cash and Cash Equivalents	<u>185,446</u>	<u>136,184</u>
Note 3 Trade and Other Receivables		
Current		
Accounts Receivable	5,000	13,300
GST Refundable	17,565	13,019
Security Bond	-	1,375
Prepayments	4,237	-
Total Trade and Other Receivables	<u>26,802</u>	<u>27,695</u>
Note 4 Plant & Equipment		
Plant & Equipment		
Plant & Equipment	36,866	36,866
Less Accumulated Depreciation	<u>26,728</u>	<u>25,378</u>
	10,138	11,488
 Motor Vehicles	 29,905	 29,905
Less Accumulated Depreciation	<u>27,268</u>	<u>26,661</u>
	2,637	3,244
 Office Equipment & Computers	 27,102	 24,648
Less Accumulated Depreciation	<u>23,059</u>	<u>21,453</u>
	4,043	3,195
 Leasehold Improvements	 22,671	 -
Less Accumulated Depreciation	<u>683</u>	<u>-</u>
	21,988	-
Total Plant & Equipment	<u>38,806</u>	<u>17,927</u>

TLC FOR KIDS INC.
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Notes to the Financial Statements
For the Year ended 30 June 2015

	2015	2014
	\$	\$
Note 5 Intangible Assets		
Trademarks		
Trademarks	16,105	16,105
Less Accumulated Amortisation	<u>13,474</u>	<u>10,248</u>
	2,631	5,857
Website Development Costs		
Website Development Costs	25,940	25,940
Less Accumulated Amortisation	<u>12,838</u>	<u>10,253</u>
	13,102	15,686
Total Intangible Assets	<u><u>15,733</u></u>	<u><u>21,544</u></u>
Note 6 Trade and Other Payables		
Current		
PAYG Payable	3,138	2,728
Credit Cards	6,488	6,480
Superannuation Payable	285	285
Employee Benefit Payable	<u>1,157</u>	<u>-</u>
Total Trade and Other Payables	<u><u>11,070</u></u>	<u><u>9,493</u></u>
Note 7 Provisions		
Current		
Provision for Audit Fees	3,300	3,135
Provision for Annual Leave	40,916	37,547
Provision for Long Service Leave - Current	<u>50,465</u>	<u>45,772</u>
	94,680	86,454
Non Current		
Provision for Long Service Leave - Non Current	<u>1,947</u>	<u>1,680</u>
Total Provisions	<u><u>96,627</u></u>	<u><u>88,135</u></u>
Note 8 Accumulated Surplus		
Accumulated Surplus at the Beginning of the Financial Year	105,722	19,385
Net Surplus attributable to members of the association	53,368	86,337
Accumulated Surplus at the End of the Financial Year	<u><u>159,090</u></u>	<u><u>105,722</u></u>

TLC FOR KIDS INC.
ABN 34 335 920 537

Notes to the Financial Statements
For the Year ended 30 June 2015

	2015	2014
	\$	\$
Note 9 Cash Flow Information		
Reconciliation of cash flow from operations with net surplus		
Net Surplus for the year	53,368	86,337
Add: Depreciation	10,057	8,999
Changes in Net Assets and Liabilities:		
- Decrease/(Increase) in Receivables and Other Current Assets	892	(13,510)
- Increase/(Decrease) in Payables	1,577	(10,551)
- Increase/(Decrease) in Provisions	8,491	2,024
Cash Flows from Operations	<u>74,385</u>	<u>73,299</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
Software licence donation	-	21,600
Courier services Australia wide	15,000	15,000
Accounting and Bookkeeping services donation	18,120	6,600
Other various donations	14,899	13,885
	<u>48,019</u>	<u>99,085</u>

Note 11 Events Subsequent to Reporting Date

Since the end of the financial year there has been no material event or transaction, other than transactions already disclosed, that would affect the financial position and performance of the association at reporting date.

Note 12 Economic Dependence

During the year the association did not receive any grant from a Government department but received grants from other funding bodies. The other sources of revenue for the year were fundraising activities and donations. Management believes that future operations of the association depend on the continuation of these income sources.

TLC FOR KIDS INC.
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Notes to the Financial Statements
For the Year ended 30 June 2015

Note 13 Contingencies

In the opinion of the Responsible Entities, the Association did not have any contingencies at 30 June 2015 (30 June 2014: None).

Note 14 Association Details

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

140A Dawson Street
Brunswick West, Victoria, 3055

TLC FOR KIDS INC.
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**RESPONSIBLE ENTITIES DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015**

We, Andrew Schepisi and Anton Mihoc, being the responsible entities' of TLC for kids Inc, declare that -

The attached financial statements and notes of the TLC for Kids Inc are in accordance with the Australian Charities and Not for Profits Commission Act 2012, including:

- i. Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not for Profits Commission Regulation 2013;
- iii. We attended the annual general meeting of the association held on Tuesday 8th of September 2015; and
- iv. The financial statements for the year ended 30 June 2015 were submitted to the members of the association at its annual general meeting.

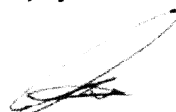
There are reasonable grounds to believe that the as become due and payable.

on will be able to pay its debts as and when they



Chairperson - Andrew Schepisi

Dated this 4 day of September 2015



Treasurer - Anton Mihoc

Dated this 4 day of September 2015



INDEPENDENT AUDITOR'S REPORT

Our Ref

Your Ref

TO THE RESPONSIBLE ENTITIES OF TLC FOR KIDS INC.

Scope

We have audited the accompanying financial report, being a special purpose financial report of TLC for kids Inc. ("Association") for the year ended 30 June 2015 as set out on pages 3 to 16. The financial report comprises the statement of financial position as at 30 June 2015, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended 30 June 2015, a summary of significant accounting policies, other explanatory notes, and a responsible entities declaration.

Responsible Entities Responsibility for the Financial Report

The Responsible Entities of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Australian Charities and Not for Profits Commission Act 2012. The responsible entities 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 association'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 association'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 Auditor's 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 2015 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and Australian Charities and Not for Profits Commission Act 2012, including:

- (i) giving a true and fair view of the financial position of the association as at 30 June 2015 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not for Profits Commission Regulation 2013.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the association's financial reporting requirements under the Australian Charities and Not for Profits Commission Act 2012. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

MCG Partners

MCG PARTNERS

Chartered Accountants

Harish Budhiraja

HARISH BUDHIRAJA

Partner

Camberwell
Melbourne

Date: 07th September 2015



MCG Partners
Chartered Accountants

AUDITOR'S INDEPENDENCE DECLARATION

Our Ref

Your Ref

TO THE RESPONSIBLE ENTITIES OF TLC FOR KIDS INC.

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, as auditor for the audit of the TLC for Kids Inc for the year ended 30 June 2015, we declare that, to the best of my knowledge and belief, there have been:

- i) No contraventions of the auditor independence requirements as set out in the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

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

MCG Partners

MCG PARTNERS

Chartered Accountants

HARISH BUDHIRAJA

Partner

Camberwell

Melbourne

Date: 07th September 2015