

**TLC FOR KIDS INC.**

**ABN 34 335 920 537**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

**TLC FOR KIDS INC.**  
**ABN 34 335 920 537**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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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 2016.

**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	4
Anton Mihoc (Treasurer)	3	4
Ralph Alphonso	2	4
Gillian Baker	2	4
Timothy Conolan	4	4
Zoe Gladio	3	4
Michael Luddeni	3	4
Geoffrey Jackson	-	4

\*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 deficit after providing for income tax amounted to \$35,801 (2015: Net Surplus \$53,368).

**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.  
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### 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.



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Chairperson - Andrew Schepisi  
Dated this 9th day of November 2016



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Treasurer - Anton Mihoc  
Dated this 9 day of November 2016

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

**Statement of Income and Expenditure**  
**For the Year ended 30 June 2016**

	Note	2016	2015
		\$	\$
Revenue		950,494	1,134,766
Donations In-Kind	10	-	48,019
Employee Benefits Expenses		(444,502)	(414,561)
Depreciation and Amortisation		(8,707)	(10,057)
Other Expenses		<u>(533,086)</u>	<u>(704,799)</u>
<b>(Deficit)/Surplus before Income Tax</b>		(35,801)	53,368
Income Tax Expenses		-	-
Net (Deficit)/Surplus from Operations		<u><u>(35,801)</u></u>	<u><u>53,368</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 2016**

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	2	177,702	185,446
Trade and Other Receivables	3	<u>33,631</u>	<u>26,802</u>
<b>Total Current Assets</b>		211,333	212,248
<b>Non-Current Assets</b>			
Plant and Equipment	4	36,653	38,806
Intangible Assets	5	<u>13,870</u>	<u>15,733</u>
<b>Total Non-Current Assets</b>		50,523	54,539
<b>Total Assets</b>		<u>261,856</u>	<u>266,787</u>
<b>Current Liabilities</b>			
Trade and Other Payables	6	23,785	11,070
Provisions	7	<u>114,782</u>	<u>94,680</u>
<b>Total Current Liabilities</b>		138,567	105,750
<b>Non-Current Liabilities</b>			
Provisions	7	<u>-</u>	<u>1,947</u>
<b>Total Non-Current Liabilities</b>		-	1,947
<b>Total Liabilities</b>		<u>138,567</u>	<u>107,697</u>
<b>Net Assets</b>		<u>123,289</u>	<u>159,090</u>
<b>Equity</b>			
Accumulated Surplus	8	123,289	159,090
<b>Total Equity</b>		<u>123,289</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 Changes in Equity**  
**For the Year ended 30 June 2016**

	<b>Retained Surplus/(loss)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2014</b>	105,722	105,722
Surplus attributable to members	53,368	53,368
<b>Balance as at 30 June 2015</b>	<u><b>159,090</b></u>	<u><b>159,090</b></u>
<b>Balance at 1 July 2015</b>	159,090	159,090
Deficit attributable to members	(35,801)	(35,801)
<b>Balance as at 30 June 2016</b>	<u><b>123,289</b></u>	<u><b>123,289</b></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 2016**

	Note	2016 \$	2015 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		940,492	1,191,052
Payments to Suppliers and Employees		(943,545)	(1,116,668)
Interest Received		1	1
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	9	(3,052)	74,385
<b>Cash Flows from Investing Activities</b>			
Payments for Property Plant and Equipment		(4,692)	(25,123)
<b>Net Cash (Outflow) from Investing Activities</b>		(4,692)	(25,123)
Net (Decrease)/ Increase in Cash Held		(7,744)	49,262
Cash and Cash Equivalents at the beginning of the year		185,446	136,184
<b>Cash and Cash Equivalents at the end of the year</b>		<u>177,702</u>	<u>185,446</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 2016**

**Note 1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Reform Act 2012 (and its Associated Regulations) and 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**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end.

**i) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**ii) Impairment**

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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

**a) Plant and Equipment (cont'd)**

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. Impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. For the plant and equipment, impairment losses are recognised in the statement of income and expenditure. Any gain or loss arising on de-recognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income and expenditure.

**b) Employee Entitlements**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Employee entitlements expenses and revenues arising in respect of 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.

**c) 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.

**d) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**e) 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).

**TLC FOR KIDS INC.**  
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**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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

**e) Revenue and Other Income (cont'd)**

**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.

**f) 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.

**g) 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 included in the Statement of Cash Flows 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.

**h) 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.

**i) Accounts Receivable and Other Debtors**

Receivables are carried at cost and recognised when the association has the right to receive the amount, it is probable that the economic benefits comprising the amount will flow to the company and the amount can be reliably measured. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred at which point the impairment loss is recognised in income and expenditure statement. Collectibility of overdue accounts is assessed on an ongoing basis.

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**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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

j) 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.

k) 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.

l) 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.

(m) 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.

**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

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

(m) Financial Instruments (cont'd)

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

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.

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.

(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.

**TLC FOR KIDS INC.**  
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**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 Cash and Cash Equivalents</b>		
Cash at Bank	177,152	185,175
Cash Equivalent	-	12
Cash on hand	550	259
<b>Total Cash and Cash Equivalents</b>	<u>177,702</u>	<u>185,446</u>
<b>Note 3 Trade and Other Receivables</b>		
<b>Current</b>		
Accounts Receivable	15,000	5,000
GST Refundable	14,690	17,565
Prepayments	3,941	4,237
<b>Total Trade and Other Receivables</b>	<u>33,631</u>	<u>26,802</u>
<b>Note 4 Plant &amp; Equipment</b>		
Plant & Equipment	37,092	36,866
Less Accumulated Depreciation	<u>27,920</u>	<u>26,728</u>
	9,172	10,138
Motor Vehicles	29,905	29,905
Less Accumulated Depreciation	<u>27,761</u>	<u>27,268</u>
	2,144	2,637
Office Equipment & Computers	31,567	27,102
Less Accumulated Depreciation	<u>26,020</u>	<u>23,059</u>
	5,547	4,043
Leasehold Improvements	22,671	22,671
Less Accumulated Depreciation	<u>2,881</u>	<u>683</u>
	19,790	21,988
<b>Total Plant &amp; Equipment</b>	<u>36,653</u>	<u>38,806</u>

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

**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5 Intangible Assets</b>		
<b>Trademarks</b>		
Trademarks	16,105	16,105
Less Accumulated Amortisation	<u>14,028</u>	<u>13,474</u>
	2,077	2,631
<b>Website Development Costs</b>		
Website Development Costs	25,940	25,940
Less Accumulated Amortisation	<u>14,147</u>	<u>12,838</u>
	11,793	13,102
<b>Total Intangible Assets</b>	<u><u>13,870</u></u>	<u><u>15,733</u></u>
<b>Note 6 Trade and Other Payables</b>		
<b>Current</b>		
Accounts payable	10,300	-
PAYG Payable	3,380	3,138
Credit Cards	7,247	6,488
Superannuation Payable	2,858	285
Employee Benefit Payable	-	1,157
<b>Total Trade and Other Payables</b>	<u><u>23,785</u></u>	<u><u>11,070</u></u>
<b>Note 7 Provisions</b>		
<b>Current</b>		
Provision for Audit Fees	3,850	3,300
Provision for Annual Leave	54,682	40,916
Provision for Long Service Leave - Current	<u>56,250</u>	<u>50,465</u>
	114,782	94,680
<b>Non Current</b>		
Provision for Long Service Leave - Non Current	-	1,947
<b>Total Provisions</b>	<u><u>114,782</u></u>	<u><u>96,627</u></u>
<b>Note 8 Accumulated Surplus</b>		
Accumulated Surplus at the Beginning of the Financial Year	159,090	105,722
Net (Deficit)/Surplus attributable to members of the association	(35,801)	53,368
<b>Accumulated Surplus at the End of the Financial Year</b>	<u><u>123,289</u></u>	<u><u>159,090</u></u>

**TLC FOR KIDS INC.**  
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**Notes to the Financial Statements**  
**For the Year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9 Cash Flow Information</b>		
Reconciliation of cash flow from operations		
Net (Deficit)/Surplus for the year	(35,801)	53,368
Add: Depreciation	8,707	10,057
Changes in Net Assets and Liabilities:		
- (Increase)/Decrease in Receivables and Other Current Assets	(6,828)	892
- Increase in Payables	12,716	1,577
- Increase in Provisions	20,101	8,491
- (Decrease) in Non Current Liability	(1,947)	-
<b>Cash Flows from Operations</b>	<u>(3,052)</u>	<u>74,385</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).

Courier services Australia wide	-	15,000
Accounting and Bookkeeping services donation	-	18,120
Other various donations	-	14,899
	<u>-</u>	<u>48,019</u>

There were no Donations in Kind received during the year ended 30 June 2016.

**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 2016**

**Note 13 Contingencies**

In the opinion of the Responsible Entities, the Association did not have any contingencies at 30 June 2016 (30 June 2015: 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.  
ABN 34 335 920 537

**RESPONSIBLE ENTITIES DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2016**

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 Associations Incorporations Reform Act 2012 (and its Associated Regulations) and 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 2016 and of its performance for the financial year ended on that date;
- ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not for Profits Commission Regulation 2013;
- iii. We will be attending the annual general meeting of the association on Thursday 10th of November 2016; and
- iv. The financial statements for the year ended 30 June 2016 will be submitted to the members of the association at its annual general meeting.

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



Treasurer - Anton Mihoc

Dated this 9th day of November 2016

Dated this 9 day of November 2016



## **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 2016 as set out on pages 3 to 16. The financial report comprises the statement of financial position as at 30 June 2016, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended 30 June 2016, 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 Associations Incorporations Reform Act 2012 (and its Associated Regulations) and 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 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, Associations Incorporations Reform Act 2012 (and its Associated Regulations) 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 2016 and of its financial performance for the year then ended;
- (ii) complying with relevant Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not for Profits Commission Regulation 2013; and
- (iii) other mandatory professional reporting requirements in Australia.

### **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 Associations Incorporations Reform Act 2012 (and its Associated Regulations) and 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: *9<sup>th</sup>* November 2016



MCG Partners  
Chartered Accountants

Our Ref

Your Ref

## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE RESPONSIBLE ENTITIES OF TLC FOR KIDS INC.

In relation to our audit of the financial report of the TLC for Kids Inc. for the year ended 30 June 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of 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

**HARISH BUDHIRAJA**

Partner

Camberwell

Melbourne

Date: 09<sup>th</sup> November 2016