TLC for Kids

ABN: 34 335 920 537

Financial report

For the year ended 30 June 2020

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RESPONSIBLE PERSONS' REPORT

The Responsible Persons present their report together with the financial report of TLC for Kids for the year ended 30 June 2020 and auditor's report thereon.

Responsible persons names

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

Ralph Alphonso

Gillian Baker

Debbie Bau

Danielle Coughlan

Tim Conolan AM (Secretary)

Michael Davey

Victoria Devine

Michael Duggan-Tierney

Sarah Gale

Zoe Gladio (Co-Chair)

Michael Luddeni (Chairperson)

Andrew Schepisi (Resigned 1/07/2019)

Anton Mihoc (Resigned 1/07/2019)

The Responsible Persons have been in office since the start of the year to the date of this report unless otherwise stated.

Attendance record

Board member	Meetings Attended	Meetings Held
Ralph Alphonso	4	4
Gillian Baker	4	4
Debbie Bau	4	4
Danielle Coughlan	3	4
Tim Conolan AM (Secretary)	4	4
Michael Davey	4	4
Victoria Devine	3	4
Michael Duggan-Tierney	3	4
Sarah Gale	4	4
Zoe Gladio (Co-Chair)	3	4
Michael Luddeni (Chairperson)	4	4

Results

The Surplus of the association for the year amounted to $162,303 (2019: Loss $50,660).

Review of operations

The association continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

TLC FOR KIDS
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RESPONSIBLE PERSONS' REPORT

Significant changes in state of affairs

Significant changes in the state of affairs of the association during the financial year, were as follows:

On 11th March 2020 the World Health Organisation declared an ongoing global outbreak of a novel coronavirus, known as ‘coronavirus disease 2019’ (‘COVID-19’) as a pandemic.

During the Pandemic, TLC for Kids normal fundraising activities were forced to be put on hold, which had the potential of decreasing the income planned for the year. However, in addition to the Government subsidies that were made available, Jobkeeper supplements and exceptional management of the Regular Giving program, TLC for Kids was able to keep support services operating and, due to a decrease in casual staff and costs associated with fundraising events, were able to increase the association's revenue and end the financial year in a strong position.

Principal activities

The principal activity of the association during the year was giving practical and emotional relief to sick kids and their families across Australia. The association works swiftly to meet requests and referrals from healthcare professionals to help kids in need. It helps sick kids and their families cope with the challenges of everyday life with illness. Upon referral, it gives tailored practical and emotional support both in and out of hospital, almost a million times each year. Whether it’s a one-off hospital visit or a prolonged struggle with illness, we are part of the extended support network for sick children, aiming to reduce stress and help everyone face what’s ahead.

No significant change in the nature of these activities occurred during the year.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Likely developments

The association expects to maintain the present status and level of operations.

Environmental regulation

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

Indemnification of officers

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

Indemnification of auditors

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

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the association

No person has applied for leave of 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.

TLC FOR KIDS
ABN: 34 335 920 537

RESPONSIBLE PERSONS' REPORT

Signed in accordance with a resolution of the Responsible Persons.

Director: ______________________________
Michael Luddeni (Chairperson)

Director: ______________________________
Tim Conolan AM (Secretary)

Dated this 3rd day of December 2020

Auditor's Independence Declaration to the Responsible Persons 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 2020, 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.

PKF

Melbourne, 3 December 2020

Kenneth Weldin

Partner

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TLC FOR KIDS
ABN: 34 335 920 537

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue and other income			
Revenue		1,459,517	1,392,290
Loss on Disposal of Investments		(3,157)	-
		1,456,360	1,392,290
Less: expenses			
Cost of sales		(40,812)	(286,419)
Depreciation and amortisation expense		(72,098)	(51,157)
Employee benefits expense		(904,314)	(778,191)
Advertising expense		(12,357)	(41,328)
Service program expenses		(134,818)	(122,621)
Loss on disposal of motor vehicle		-	(800)
Movement in market value of investments		-	(45,693)
Other expenses		(129,658)	(116,741)
		(1,294,057)	(1,442,950)
Surplus before income tax expense		162,303	(50,660)
Income tax expense		-	-
Surplus for the year		162,303	(50,660)

The accompanying notes form part of these financial statements.

TLC FOR KIDS
ABN: 34 335 920 537

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	2	584,570	379,986
Receivables	3	2,861	9,036
Other assets	4	54,737	4,216
Total current assets		642,168	393,238
Non-current assets			
Other financial assets		-	18,692
Plant and equipment	5	132,530	46,555
Intangible assets	6	147,242	172,232
Right of use assets	7	87,968	-
Total non-current assets		367,740	237,479
Total assets		1,009,908	630,717
Current liabilities			
Payables	8	45,451	57,153
Other liabilities	9	97,333	2,078
Lease liabilities	7	20,836	-
Provisions	10	188,214	130,005
Borrowings	11	33,861	40,971
Total current liabilities		385,695	230,207
Non-current liabilities			
Lease liabilities	7	67,742	-
Provisions	10	8,734	-
Borrowings	11	127,027	142,103
Total non-current liabilities		203,503	142,103
Total liabilities		589,198	372,310
Net assets		420,710	258,407
Equity			
Retained earnings		420,710	258,407
Total equity		420,710	258,407

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Surplus $	Total equity $
Balance as at 1 July 2018	309,067	309,067
Deficit for the year	(50,660)	(50,660)
Balance as at 30 June 2019	258,407	258,407
Balance as at 1 July 2019	258,407	258,407
Surplus for the year	162,303	162,303
Balance as at 30 June 2020	420,710	420,710

TLC FOR KIDS
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flow from operating activities			
Receipts from fundraising and donations		1,557,524	1,414,553
Payments to suppliers and Employees		(1,191,876)	(1,277,141)
Finance costs		(22,943)	-
Net cash provided by operating activities	12(b)	342,705	137,412
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	500
Proceeds from sale of investments		15,538	-
Payment for property, plant and equipment		(111,091)	(26,319)
Payment for intangible assets		-	(492)
Net cash used in investing activities		(95,553)	(26,311)
Cash flow from financing activities			
Proceeds from borrowings		-	19,740
Repayment of loans		(20,382)	(37,692)
Principal portion of lease payments		(17,882)	-
Principal portion of hire purchases		(4,304)	-
Net cash used in financing activities		(42,568)	(17,952)
Reconciliation of cash			
Cash at beginning of the financial year		379,986	286,837
Net increase in cash held		204,584	93,149
Cash at end of financial year	12(a)	584,570	379,986

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The responsible persons have determined that the association is not a reporting entity on the basis that, in the opinion of the responsible persons, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers TLC for Kids as an individual entity. TLC for Kids is an association, incorporated and domiciled in Australia. TLC for Kids is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the responsible persons' report.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1054:	Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Coronvirus (COVID-19)

Since the declaration by the World Health Organisation on 11 March 2020 of the Coronavirus as a pandemic, these has been a signifcant impact on local and world economies. Uncertainty still exists in relation to duration of the COVID-19 pandemic-related restrictions, the anticipated government stimulus and regulatory actions.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(c) Revenue from contracts with customers

Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the association expects to be entitled in exchange for the goods or services.

Revenue from the provision of services

Revenue from the provision of services comprises revenue derived from delivering services. These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

Revenue from the sale of goods

Revenue from the sale of good comprises revenue derived from the sale of merchandise purchased for resale. Revenue is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time the goods are purchased by customers from the association. Customers are required to pay in full for all goods purchased at the time of purchase.

(d) Other income

Other income is recognised on an accruals basis when the association is entitled to it. Other income include amounts received or receivable under the Federal Government’s JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by coronavirus (Covid-19).

Amounts arising from donations are recognised at fair value when received.

Interest revenue is measured in accordance with the effective interest method.All revenue is measured net of the amount of goods and services tax (GST).

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Trade and other receivables

Trade and other receivables arise from the association's transactions with its customers and are normally settled within 30 days.

Consistent with both the association's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(g) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured at cost. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets

Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

(i) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the association recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Right of Use Assets

Right of Use Assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the association, and an estimate of costs to be incurred by the association in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the association's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Provisions

Provisions are recognised 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 that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the association does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(m) Goods and services tax (GST)

Revenues, expenses and purchased 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New and revised accounting standards effective at 30 June 2020

The association has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15 *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis.

In accordance with the transition requirements of AASB 16, the association has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The association has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognise each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- to adjust each right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of each right-of-use asset at the date of initial application; and
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of $109,960 (referred to in these financial statements as “lease assets”) and corresponding lease liabilities with an aggregate carrying amount of $108,960 and a make good provision of $1,000. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 4.00%.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

(a) creates enforceable rights and obligations between the parties; and

(b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

(a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;

(b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and

(c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

In accordance with the transition requirements of AASB 1058 and AASB 15, the association has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the association’s accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(c) .

	2020 $	2019 $
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash on hand	430	921
Cash at bank	584,140	379,065
	584,570	379,986
NOTE 3: RECEIVABLES		
CURRENT		
Accounts receivable	-	2,080
Other receivables	-	174
GST Refundable	2,861	6,782
	2,861	9,036
NOTE 4: OTHER ASSETS		
CURRENT		
Prepayments	54,737	3,059
Other current assets	-	1,157
	54,737	4,216
NOTE 5: PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	22,671	22,671
Accumulated depreciation	(9,687)	(8,245)
	12,984	14,426
Plant and equipment		
Motor vehicles at cost	122,233	22,233
Accumulated depreciation	(17,289)	(4,675)
	104,944	17,558
Office equipment at cost	10,328	10,102
Accumulated depreciation	(7,185)	(7,013)
	3,143	3,089
Furniture, fixtures and fittings at cost	38,357	38,069
Accumulated depreciation	(33,300)	(32,220)
	5,057	5,849

	2020	2019
	$	$
NOTE 5: PLANT AND EQUIPMENT (CONTINUED)		
Computer equipment at cost	32,579	30,403
Accumulated depreciation	(26,177)	(24,770)
	6,402	5,633
Total plant and equipment	119,546	32,129
Total property, plant and equipment	132,530	46,555

	2020	2019
NOTE 6: INTANGIBLE ASSETS		
Trademarks at cost	24,505	16,105
Accumulated amortisation and impairment	(15,583)	(15,052)
	8,922	1,053
Website development at cost	28,523	28,523
Accumulated amortisation and impairment	(18,203)	(17,344)
	10,320	11,179
Appeals office database at cost	200,000	200,000
Accumulated amortisation and impairment	(72,000)	(40,000)
	128,000	160,000
Total intangible assets	147,242	172,232

	2020
	$

NOTE 7: RIGHT OF USE ASSETS AND LEASE LIABILITIES

Lease arrangements (30 June 2020)

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the association for the first time in the current reporting period).

	2020
	$
(a) Right of use assets	
Buildings	
Under lease	109,960
Accumulated depreciation	(21,992)
	87,968
Total carrying amount of right of use assets	87,968

	2020
	$
Reconciliations	
Buildings	
Opening carrying amount	109,960
Depreciation	(21,992)
Closing carrying amount	87,968
(b) Lease liabilities	
CURRENT	
Lease - Building	20,836
NON CURRENT	
Lease - Building	67,742
Total carrying amount of lease liabilities	88,578
(c) Lease expenses and cashflows	
Interest expense on lease liabilities	3,618
Depreciation expense on lease assets	21,992
Cash outflow in relation to leases	24,000

NOTE 7: RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(d) Non-cancellable operating lease arrangements (30 June 2019)

The following information relates to non-cancellable operating lease arrangements of the prior reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 Leases.

	2019 $
- Not later than 1 year	24,000
- Later than 1 year and not later than 5 years	96,000
Aggregate lease payments contracted for at reporting date	120,000

NOTE 8: PAYABLES

CURRENT		
Trade creditors	6,686	8,258
Sundry creditors and accruals	38,765	48,895
	45,451	57,153

NOTE 9: OTHER LIABILITIES

CURRENT		
Deferred income	97,333	2,078

NOTE 10: PROVISIONS

CURRENT		
Employee benefits	188,214	130,005
NON CURRENT		
Employee benefits	7,734	-
Make good provision	1,000	-
	8,734	-
	196,948	130,005

NOTE 11: BORROWINGS

CURRENT		
Unsecured liabilities		
Hire purchase liability	4,567	4,304
Secured liabilities		
Bank loans	29,294	36,667
	33,861	40,971

	2020	2019
	$	$

NOTE 11: BORROWINGS (CONTINUED)

	2020	2019
NON CURRENT		
Unsecured liabilities		
Hire purchase liability	10,869	15,436
Secured liabilities		
Bank loans	116,158	126,667
	127,027	142,103

NOTE 12: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

	2020	2019
Cash on hand	430	921
Cash at bank	584,140	379,065
	584,570	379,986

(b) Reconciliation of cash flow from operations with profit after income tax

	2020	2019
Profit / (loss) from ordinary activities after income tax	162,303	(50,660)
Adjustments and non-cash items		
Amortisation	33,390	41,218
Depreciation	38,708	9,939
Net loss on disposal of property, plant and equipment	-	800
Net loss on disposal of investments	3,154	-
Fair value adjustment to investments	-	45,693
Changes in operating assets and liabilities		
Decrease in receivables	6,175	49,551
Increase in other assets	(50,521)	(1,073)
(Decrease) / increase in payables	(11,702)	23,234
Increase / (decrease) in other liabilities	95,255	(5,420)
Increase in provision for employee entitlement	64,943	24,130
Increase in make good provision	1,000	-
Cash flows from operating activities	342,705	137,412

NOTE 13: DONATIONS IN-KIND

TLC receives "in-kind" services and goods (donated to the Rapid TLC program) from a number of individuals and organisations to enable it to acheive its objectives. TLC for Kids has decided not to recognise an expense and associated revenue for these "in-kind" services in the financial report for the year ended 30 June 2020, rather to disclose the "in-kind" services in the financial report in Note 15. No amounts are included in the financial statements for services donated by volunteers.

Donations in-kind received in 2020: $278,138

Donations in-kind received in 2019: $263,125

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2020, of the association, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2020, of the association.

NOTE 15: ASSOCIATION DETAILS

The registered office of the association is:

TLC for Kids
140 Dawson Street
Brunswick, Victoria, 3056

TLC FOR KIDS
ABN: 34 335 920 537

RESPONSIBLE PERSONS' DECLARATION

We, Michael Luddeni and Timothy Conolan AM, being the Responsible Persons' of TLC for kids Inc, declare that:

That attached financial statements and notes of the TLC for Kids Inc are in accordance with the Associations Incorpoations Reform Act 2012 (And its Associated Regulations) and Australian Charities and Not for Profits Commision Act 2012, including:

i. Giving a true and fair view of its financial position as at 30 June 2020 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 in accordance with Note 1 to these finacial statements; and

iii. We attended the annual general meeting of the association on Thursday 26th of Novemeber 2020;

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

Director: ______________________________

Michael Luddeni (Chairperson)

Director: ______________________________

Tim Conolan AM (Secretary)

Dated this 3rd day of December 2020

Independent Auditor's Report to the Responsible Persons of TLC for Kids Inc.

Report on the Audit of the Financial Report

We have audited the accompanying special purpose financial report of TLC for Kids Inc. ('*the Entity*'), which comprises the statement of financial position as at 30 June 2020, and the statements of surplus or deficit and other comprehensive income, statement of cash flows for the year then ended, a summary of significant accounting policies and the responsible persons' declaration of the Entity.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

a) giving a true and fair view of the Entity's financial position as at 30 June 2020 and of its financial performance for the year 2020 ended; and
b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act, ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

The Responsible Persons' Responsibility for the Financial Report

The Responsible Persons are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Responsible Persons' responsibility also includes such internal control as it determines is necessary to enable the preparation of a financial report that is fairly presented and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Persons of the Entity are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Responsible Persons either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation 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 Responsible Persons, as well as evaluating the overall presentation of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.

- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF
Melbourne, 3 December 2020

Kenneth Weldin
Partner