

SAWARD / DAWSON

chartered accountants

Children's Ground Limited

ABN: 74 154 403 086

Financial Statements
For the Year Ended
30 June 2015

Children's Ground Limited

ABN 74 154 403 086

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For the Year Ended 30 June 2015

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Children's Ground Limited

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Directors' Report

For the Year Ended 30 June 2015

The directors present their report on Children's Ground Limited for the financial year ended 30 June 2015.

1. General information

Directors

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

Names	Position
William Roy Tilmouth	Chair
Kon Karapanagiotidis	Non-Executive Director
Clive William Ringler	Non-Executive Director
Adrian John Appo	Non-Executive Director
Josie Rizza	Non-Executive Director
Rosemary Therese Addis	Strategic Advisor to the Board Resigned as a Board Member in December 2014 Advisor to the Board from February 2015
Jane Shanthini Vadiveloo	Chief Executive Officer

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Children's Ground Limited during the financial year was to provide opportunities to help break the poverty cycle for disadvantaged indigenous families and supply significant aid to needy people in the community. Such activities included accommodation care, family support services, child care, aged care, youth and employment services.

No significant changes in the nature of the Company's activity occurred during the financial year.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

William Roy Tilmouth	
Experience	William was born in Alice Springs, is of Arrernte descent and a member of the Stolen Generation. William has worked in various Government and Aboriginal organisations and was elected the Central Australian ATSIC Regional Chair in the 1980s. From 1988 to 2010 he was the Executive Director of Tangentyere Council.
Special responsibilities	Board Chair and Co-Chair of Research Advisory Group
Kon Karapanagiotidis	
Qualifications	LLB, BSW, BBSoc, Med, M.Dev Studies
Experience	Kon is CEO and Founder of the Asylum Seeker Resource Centre.

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Directors' Report

For the Year Ended 30 June 2015

Information on directors continued

Clive William Ringler

Qualifications Bachelor of Economics (University of New England, Armidale, NSW), Masters of Commerce (University of New South Wales), ASX Accredited Adviser, Level 1 & 2

Experience Clive Ringler is a Portfolio Manager and Financial Adviser with Morgan Stanley. He has over 25 years experience in the financial markets and covers both global and Australian investments across all asset classes including fixed interest and currencies.

Special responsibilities Board Deputy Chair, Chair of Finance Committee

Adrian John Appo

Qualifications Bachelor of Teaching

Experience Adrian is a Gureng Gureng man from south-east Queensland. Adrian is CEO of Gambina and is a recognised "social entrepreneur".

Josie Rizza

Qualifications B.Ec, CA, Grad Dip Applied Finance & Investment, GAICD

Experience Josie is a chartered accountant with extensive experience in accounting and strategic financial management.

Special responsibilities Member of the Finance Committee

Rosemary Therese Addis

Qualifications LLB (Hons 1st Class) (1990) University of Melbourne; New York Bar (1995); Company Directors' Diploma (2002) AICD

Experience Rosemary has over 20 years' track record as a strategist leading initiatives at the intersection of government, community and markets to solve social issues and create new value. Rosemary is an experienced director, has a first-class honours degree in Law.

Jane Shanthini Vadiveloo

Qualifications BSc.(Hons); MPsych(Forensic)

Experience Jane Vadiveloo has a Masters in Forensic Psychology and a 20 year history leading reform and services provision in communities experiencing extreme disadvantage and trauma.

Special responsibilities CEO, Member of the Finance Committee and Co-Chair of Research Advisory Group

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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Directors' Report

For the Year Ended 30 June 2015

Meetings of directors

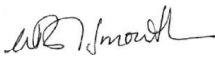
During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
William Roy Tilmouth	5	4
Kon Karapanagiotidis	5	4
Clive William Ringler	5	4
Adrian John Appo	5	3
Josie Rizza	5	5
Rosemary Therese Addis	3	3
Jane Shanthini Vadiveloo	5	5

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this15th..... day ofSeptember..... 2015

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Auditor's Independence Declaration

To the Responsible Entities of Children's Ground Limited

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 Children's Ground Limited for the year ended 30 June 2015, I 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 section 60-40 of 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.



Saward Dawson Chartered Accountants



Tim Flowers
Partner

Blackburn

Date: 15 September 2015

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	3,783,450	4,858,249
Employee benefits expense		(2,506,847)	(1,338,316)
Depreciation and amortisation expense		(65,718)	(43,277)
Professional fees		(97,290)	(69,703)
Advertising and Promotion		(13,758)	(2,397)
Computer expenses		(87,052)	(35,555)
Asset Purchases < \$1,000		(64,682)	(41,196)
Program asset purchases	3(a)	(104,855)	-
Insurance		(9,627)	(21,800)
Repairs and maintenance		(24,936)	(14,451)
Travel and accommodation		(123,899)	(74,883)
Utilities and cleaning		(60,541)	(24,502)
Motor Vehicle Expenses		(104,710)	(63,359)
Client Support Consumables		(82,150)	(37,959)
Children's Service Support		(103,602)	(18,416)
Rent		(35,778)	(25,750)
Printing and stationery		(56,271)	(41,214)
Training and development		(24,840)	(4,316)
Other expenses		(96,733)	(39,520)
Surplus before income tax		120,161	2,961,635
Income tax expense		-	-
Surplus for the year		120,161	2,961,635
Other comprehensive income, net of income tax			
Total comprehensive income for the year		120,161	2,961,635

The accompanying notes form part of these financial statements.

Children's Ground Limited

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Statement of Financial Position

As At 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,194,141	3,157,069
Trade and other receivables	5	191,546	7,752
Other financial assets	6	1,723,957	-
Other assets	7	36,198	2,801
TOTAL CURRENT ASSETS		<u>3,145,842</u>	<u>3,167,622</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	405,957	314,543
TOTAL NON-CURRENT ASSETS		<u>405,957</u>	<u>314,543</u>
TOTAL ASSETS		<u><u>3,551,799</u></u>	<u><u>3,482,165</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	274,622	360,575
Employee benefits	10	104,748	73,792
Other financial liabilities	11	4,470	-
TOTAL CURRENT LIABILITIES		<u>383,840</u>	<u>434,367</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>383,840</u>	<u>434,367</u>
NET ASSETS		<u><u>3,167,959</u></u>	<u><u>3,047,798</u></u>
EQUITY			
Retained earnings		<u>3,167,959</u>	<u>3,047,798</u>
TOTAL EQUITY		<u><u>3,167,959</u></u>	<u><u>3,047,798</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	3,047,798	3,047,798
Surplus for the year	120,161	120,161
Balance at 30 June 2015	<u>3,167,959</u>	<u>3,167,959</u>

2014

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2013	86,163	86,163
Surplus for the year	2,961,635	2,961,635
Balance at 30 June 2014	<u>3,047,798</u>	<u>3,047,798</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Donations, grants and other income received	3,663,840	4,836,990
Interest Received	65,261	25,390
Payments to Suppliers and Employees	(3,810,940)	(1,490,813)
Net cash provided by/(used in) operating activities	13 <u>(81,839)</u>	<u>3,371,567</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(157,132)	(351,850)
Placement of term deposits	(1,723,957)	-
Net cash used by investing activities	<u>(1,881,089)</u>	<u>(351,850)</u>
Net increase/(decrease) in cash and cash equivalents held	(1,962,928)	3,019,717
Cash and cash equivalents at beginning of year	3,157,069	137,352
Cash and cash equivalents at end of financial year	4 <u>1,194,141</u>	<u>3,157,069</u>

The accompanying notes form part of these financial statements.

Children's Ground Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Basis of Preparation

The financial statements cover Children's Ground Limited as an individual entity, incorporated and domiciled in Australia. Children's Ground Limited is a company limited by guarantee.

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(a) Revenue and other income

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest income is recognised on an accruals basis using the effective interest method.

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

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Children's Ground Limited is registered as a Public Benevolent Institution with the Australian Charities and Not-for-profits Commission and is endorsed as a Deductible Gift Recipient.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at-call with banks and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Basis of Preparation continued

(d) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

Property, plant and equipment, excluding freehold land, are depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	36-60 Months
Motor Vehicles	60-72 Months

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Basis of Preparation continued

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Basis of Preparation continued

(j) Employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period 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 satisfy vesting requirements.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(k) Provisions

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

(l) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) Critical Accounting Estimates and Judgements

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flow and uses an interest rate to discount them. Estimation uncertainty relates to assumption about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful life of depreciable assets at each reporting date, based on the expected utility of the asset.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Basis of Preparation continued

(n) Economic dependence

Children's Ground Limited is currently dependent on the Kakadu West Arnhem Social Trust (KWASt) to ensure the ongoing continuance of its program in Kakadu West Arnhem. KWASt's revenue is largely dependant on the Ranger Uranium mine operated by Energy Resources Australia. At the date of this report the extension of the mine beyond 2021 is uncertain. Notwithstanding this, KWASt have committed to provide three years of funding at current levels from 1 July 2015. There will be ongoing discussion about future funding from KWASt beyond that date.

(o) Adoption of new and revised accounting standards

A number of new and revised Standards are effective for annual periods beginning on or after 1 July 2014. Information on these new Standards is presented below.

AASB 10 Consolidated Financial Statement supersedes the consolidation requirements in AASB 127 Consolidation and Separate Financial Statements and AAB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. The adoption of AASB 10 has not had any significant impact on the entity.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and Interpretation 112 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers* as well as consequential amendments to a number of other standards. AASB 11 uses the revised definition of control from AASB 10 and once joint control is determined, then classifies joint arrangements as either joint ventures or joint operations. Joint ventures are accounted for using the equity method, proportionate consolidation is not permitted under AASB 11. Joint operations are accounted for by incorporating the venturer's share of assets, liabilities, income and expenses into the financial statements. The adoption of AASB 11 has not had any significant impact on the entity.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities. The adoption of AASB 12 has not had any significant impact on the entity.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. The adoption of AASB 13 has not had any significant impact on the entity.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits. The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Revenue and Other Income

	2015	2014
	\$	\$
Grants received	2,000	2,000,000
Rent Income	67,167	-
Donations received	3,633,088	2,832,855
Interest Income	65,000	25,394
Other Income	16,194	-
Total Revenue	3,783,450	4,858,249

3 Expenses

Audit fees		
- audit services	5,250	8,500
- other services	2,000	-

(a) Program asset purchases

Program asset purchases of \$104,855 relate to items purchased or repair work expenses for Children's Ground's programs. This mainly includes items such as air conditioning units and gates installed to property owned by the Gundjeihmi Aboriginal Corporation (GAC) which provides free housing facility for Children's Ground staff in Northern Territory.

4 Cash and cash equivalents

Cash at bank in hand	686,508	138,792
Short-term bank deposits	507,633	3,018,277
	1,194,141	3,157,069

(a) Term deposit

Short-term bank deposit of \$507,633, is held for a term of three months at an interest rate of 2.70% p.a. The term deposit matures on 13 September 2015.

5 Trade and other receivables

CURRENT

Trade receivable	51,777	-
Interest receivable	6,856	7,117
Other receivable	7,938	635
GST receivable	124,975	-
Total current trade and other receivables	191,546	7,752

(a) Provision for Doubtful Debts

There was no provision for Doubtful Debts as at 30 June 2015.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

5 Trade and other receivables continued

(b) Credit Risk - Trade Receivables and Other Debtors

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5.

The following table details the company's trade receivable and other debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	< 30 days	31-60 days	61-90 days	>90 days	Within Initial Trade terms
	\$	\$	\$	\$	\$	\$	\$
2015							
Trade Receivables	51,777	-	-	-	-	-	51,888
Other debtors	7,838	-	-	-	-	-	4,808
Total	59,615	-	-	-	-	-	56,696
2014							
Other debtors	635	-	-	-	-	-	635
Total	635	-	-	-	-	-	635

6 Other financial assets

	2015	2014
	\$	\$
Term deposits	1,723,957	-
Total financial assets	1,723,957	-

(a) Term Deposits

Term deposits are held at the following terms and rates:

- \$610,172.05 - held at, 2.85% p.a. for 6 months, maturing on 13 September 2015
- \$608,315.34- held at 2.70% p.a for 5 months, maturing on 13 August 2015
- \$505,469.86- held at 2.85% p.a for 4 months, maturing on 12 July 2015.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

7 Other non-financial assets

	2015	2014
	\$	\$
CURRENT		
Prepayments	35,613	2,801
Other current assets	585	-
	<u>36,198</u>	<u>2,801</u>

8 Property, plant and equipment

Motor vehicles

At cost	388,792	235,461
Accumulated depreciation	(69,320)	(28,062)
Total motor vehicles	<u>319,472</u>	<u>207,399</u>

Office Equipment

At cost	127,912	124,066
Accumulated depreciation	(41,427)	(16,922)
Total Office Equipment	<u>86,485</u>	<u>107,144</u>
Total property, plant and equipment	<u>405,957</u>	<u>314,543</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Total
2015			
Year ended 30 June 2015			
Balance at the beginning of year	207,399	107,144	314,543
Additions	153,331	3,801	157,132
Depreciation expense	(41,258)	(24,460)	(65,718)
Balance at the end of the year	<u>319,472</u>	<u>86,485</u>	<u>405,957</u>
2014			
Balance at the beginning of year	-	5,972	5,972
Additions	235,461	116,387	351,848
Depreciation expense	(28,062)	(15,215)	(43,277)
Balance at the end of the year	<u>207,399</u>	<u>107,144</u>	<u>314,543</u>

Children's Ground Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

9 Trade and other payables

	2015	2014
	\$	\$
CURRENT		
Trade payables	107,803	50,946
Other payables	166,819	309,629
	<u>274,622</u>	<u>360,575</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

10 Employee Benefits

Current liabilities

Annual leave provision	<u>104,748</u>	73,792
Total employee benefits	<u>104,748</u>	<u>73,792</u>

	Employee Provisions
	\$
Current	
Opening balance at 1 July 2014	73,792
Additional provisions	144,658
Provisions used	<u>(113,702)</u>
Balance at 30 June 2015	<u>104,748</u>

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Children's Ground Limited does not have any long service leave liabilities or non-current employee benefits liabilities.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Other Financial Liabilities

	2015	2014
	\$	\$
Income in Advance	4,470	-
	<u>4,470</u>	<u>-</u>

12 Capital and Leasing Commitments

(a) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	41,348	38,445
- between one year and five years	42,795	80,973
- later than five years	-	-
	<u>84,143</u>	<u>119,418</u>

The property lease commitment is a non-cancellable operating leases contracted for but not recognised in the financial statements with a three-year term. Increase in lease commitments may occur in line with the consumer price index (CPI).

13 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

Surplus for the year	120,161	2,961,635
Non-cash flows in profit:		
Depreciation and amortisation expense	65,718	43,277
Changes in assets and liabilities:		
- (increase)/decrease in current assets	(217,191)	11,447
- increase/(decrease) in current liabilities	(81,483)	289,326
- increase/(decrease) in employee benefits	30,956	65,880
Cashflow from operations	<u>(81,839)</u>	<u>3,371,567</u>

14 Contingencies

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

Children's Ground Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

15 Related Parties

The Company's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The totals of remuneration paid to the key management personnel of Children's Ground Limited during the year are as follows:

	2015	2014
	\$	\$
Transactions with key management personnel		
Short-term employee benefits	291,003	313,012
Total remuneration	291,003	313,012

16 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Company does not speculate in financial assets.

The main risks Children's Ground Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk. The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payables. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	4	1,194,141	3,157,069
Trade and other receivables	5	191,546	7,752
Other financial assets	6	1,723,957	-
Total financial assets		3,109,644	3,164,821

Financial Liabilities

Trade and other payables	9	274,622	360,575
Operating lease obligation	12	84,143	119,418
Total financial liabilities		358,765	479,993

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Children's Ground Limited and arises principally from Children's Ground Limited's receivables. The company does not have any material credit risk exposures as its major source of revenue is the receipt of donations.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Financial Risk Management continued

(b) Liquidity risk

Liquidity risk arises from the possibility that Children's Ground Limited might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Children's Ground Limited ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days. The available funds to the Company are discussed in note 13.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since Children's Ground Limited has no control over the timing of any potential settlement of the liabilities.

	Current Within 1 Year		Non-current 1 to 5 Years		Non-current Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	274,622	360,575	-	-	-	-	274,622	360,575
Operating lease liabilities	41,348	38,445	42,795	80,973	-	-	84,143	119,418
Total contractual outflows	<u>315,970</u>	<u>399,020</u>	<u>42,795</u>	<u>80,973</u>	<u>-</u>	<u>-</u>	<u>358,765</u>	<u>479,993</u>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period to a reasonably possible change in interest rates +/- 0.5% (2014: +/- 0.5%). This analysis assumes that other variables are held constant.

	Profit		Equity	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
2015	11,164	(11,152)	(11,164)	11,152
2014	3,770	-	(3,770)	3,776

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Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Financial Risk Management continued

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Interest rate risk is managed by fixing interest rates for finance lease agreements, and by monitoring interest rate fluctuations and assessing potential impact on cash flow.

ii. Price risk

The company is not exposed to any material commodity price risk.

17 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and Management ensures that the overall risk management strategy is in line with this objective.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

18 Events Occurring After the Reporting Date

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

19 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 50 each towards meeting any outstanding obligations of the Company. At 30 June 2015 the number of members was 6 (2014: 7).

20 Company Details

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

3 Stuart Terrace
Alice Springs
Northern Territory 0870

Children's Ground Limited

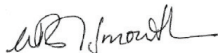
ABN 74 154 403 086

Responsible Entities' Declaration

In the opinion of the directors of Children's Ground Limited:

1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and;
 - (a) comply with Australian Accounting Standards as stated in Note 1 and the *Australian Charities and Not-for-profits Commission Regulations 2013*, and;
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Director



Director

Dated this 15th day of September 2015

Children's Ground Limited

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Independent Audit Report to the members of Children's Ground Limited

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report of Children's Ground Limited which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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 about 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 and fair presentation of the financial report 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 management, 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.

Children's Ground Limited

ABN 74 154 403 086

Independent Audit Report to the members of Children's Ground Limited*Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Children's Ground Limited as at 30 June 2015, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

**Saward Dawson Chartered Accountants**

Tim Flowers
Partner

Blackburn

Dated this15.....day of.....September.....2015