



chartered accountants

Children's Ground Limited

ABN: 74 154 403 086

Financial Statements
For the Year Ended
30 June 2016

Children's Ground Limited

ABN 74 154 403 086

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For the Year Ended 30 June 2016

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Children's Ground Limited

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Directors' Report

For the Year Ended 30 June 2016

The directors present their report on Children's Ground Limited for the financial year ended 30 June 2016.

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
Robert Griew	Non-Executive Director
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.

Robert Griew commenced on 27th July 2015.

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 early years learning and care, family health, community development, cultural development and economic development services and activities.

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 2016

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, Audit and Risk Sub-Committee, Member, Investment Sub-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, Audit and Risk Sub-Committee, Member, Investment Sub-Committee.

Robert Griew

Qualifications Bachelor of Applied Science; Master of Public Health; Grad Cert in Economic Policy.

Experience Robert brings a depth of experience at senior levels in health, education, Indigenous policy and in public administration generally. He has worked in Commonwealth, state and territory public services, in the community sector and has run his own consulting business. Robert is a Principal of Nous Group. He was previously Associate Secretary in the Commonwealth Department of Education and Training, responsible for higher education, research and international education.

Special responsibilities Member of the Investment Sub-Committee

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, Audit and Risk Sub-committee, Member of Investment Sub-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.

Children's Ground Limited

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Directors' Report

For the Year Ended 30 June 2016

Meetings of directors

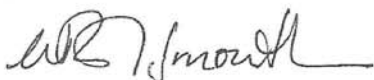
During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
William Roy Tilmouth	7	5
Kon Karapanagiotidis	7	3
Clive William Ringer	7	6
Adrian John Appo	7	5
Josie Rizza	7	7
Robert Griew	7	5
Jane Shanthini Vadiveloo	7	7

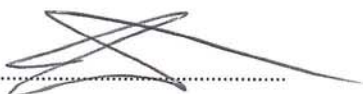
Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2016 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: 19th October 2016


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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 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**Jeffrey Tulk
Partner

Blackburn

Dated: 19 October 2016

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	5,104,660	3,783,450
Employee benefits expense		(3,104,247)	(2,506,847)
Depreciation and amortisation expense		(117,932)	(65,718)
Professional fees		(68,979)	(97,290)
Advertising and Promotion		(562)	(13,758)
Computer expenses		(41,050)	(87,052)
Asset Purchases < \$1,000		(42,161)	(64,682)
Program asset purchases		(24,373)	(104,855)
Insurance		(10,009)	(9,627)
Repairs and maintenance		(18,105)	(24,936)
Travel and accommodation		(173,768)	(123,899)
Utilities and cleaning		(97,605)	(60,541)
Motor Vehicle Expenses		(128,490)	(104,710)
Client Support Consumables		(95,235)	(82,150)
Children's Service Support		(82,368)	(103,602)
Rent		(43,853)	(35,778)
Printing and stationery		(66,827)	(56,271)
Training and development		(3,270)	(24,840)
Other expenses		(89,002)	(96,733)
Surplus before income tax		896,824	120,161
Income tax expense		-	-
Surplus for the year		896,824	120,161
Other comprehensive income, net of income tax			
Total comprehensive income for the year		896,824	120,161

The surplus of \$896,824, initially appears unusually high, but is predominantly due to:

1. Donations received just before the financial year end which under accounting standards must be included in income for the year ended 30 June 2016, but are specifically committed to expenditure in the year ending 30 June 2017; and
2. Employee salaries and wages expenditure which were budgeted for the year ended 30 June 2016, however remained unspent for that period due to the experiential learning nature of the Children's Ground model and the difficulty of recruiting to some positions in Jabiru.

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Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	681,477	1,194,141
Trade and other receivables	5	93,507	191,546
Other financial assets	6	3,384,873	1,723,957
Other assets	7	60,677	36,198
TOTAL CURRENT ASSETS		4,220,534	3,145,842
NON-CURRENT ASSETS			
Plant and equipment	8	391,376	405,957
Intangible assets	9	84,208	-
TOTAL NON-CURRENT ASSETS		475,584	405,957
TOTAL ASSETS		4,696,118	3,551,799
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	462,117	274,622
Employee benefits	11	125,033	104,748
Other financial liabilities	12	-	4,470
TOTAL CURRENT LIABILITIES		587,150	383,840
NON-CURRENT LIABILITIES			
Employee benefits	11	44,185	-
TOTAL NON-CURRENT LIABILITIES		44,185	-
TOTAL LIABILITIES		631,335	383,840
NET ASSETS		4,064,783	3,167,959
EQUITY			
Retained earnings		4,064,783	3,167,959
TOTAL EQUITY		4,064,783	3,167,959

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Surpluses	Total
	\$	\$
Balance at 1 July 2015	3,167,959	3,167,959
Surplus for the year	896,824	896,824
Balance at 30 June 2016	<u>4,064,783</u>	<u>4,064,783</u>

2015

	Retained Surpluses	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>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Donations, grants and other income received	5,217,732	3,663,840
Interest received	93,087	65,261
Payments to suppliers and employees	(3,975,008)	(3,810,940)
Net cash provided by/(used in) operating activities	14 <u>1,335,811</u>	<u>(81,839)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(96,691)	(157,132)
Placement of term deposits	(1,660,916)	(1,723,957)
Acquisition of intangibles	(90,868)	-
Net cash used by investing activities	<u>(1,848,475)</u>	<u>(1,881,089)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(512,664)	(1,962,928)
Cash and cash equivalents at beginning of year	1,194,141	3,157,069
Cash and cash equivalents at end of financial year	4 <u><u>681,477</u></u>	<u><u>1,194,141</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

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 requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements 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 2016

1. Basis of Preparation continued

(d) 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 the 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 (years)
Plant and Equipment	3 - 5
Motor Vehicles	5 - 6

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 2016

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 2016

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

Long term employee benefits

Provision for long service leave is calculated based on expected future payments incorporating anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on bonds that have maturity dates that approximate the terms of the obligations.

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 2016

1. Basis of Preparation continued

(n) Economic dependence (refer also Note 19. Events Occurring After the Reporting Date)

Children's Ground Limited (Children's Ground) has been reliant on the Kakadu West Arnhem Social Trust (KWASt) for its operational program in Kakadu West Arnhem. KWASt receives royalties from Energy Resources Australia's uranium mine in Jabiru. KWASt was established by Gundjehmi Aboriginal Corporation (GAC). The mine is due to cease operations and is in wind down mode and, accordingly, royalty payments are reducing and will cease. Children's Ground's current agreement with KWASt is for the period to July 2018. KWASt provided its standard payments in FY16 and for the first half of FY17 and it is anticipated that there will be minimal further funding from KWASt. GAC has been considering their ongoing support of Children's Ground (refer to Note 19. Events Occurring After the Reporting Date). This development does not affect operations in Alice Springs or ongoing discussions currently occurring regarding new sites.

2. Revenue and Other Income

	2016	2015
	\$	\$
Grants received	1,090,455	2,000
Rent Income	73,769	67,167
Donations received	3,813,081	3,633,088
Interest Income	93,088	65,000
Other Income	34,267	16,194
Total Revenue	5,104,660	3,783,450

3. Expenses

Audit fees		
- audit services	6,250	5,250
- other services	2,500	2,000

4. Cash and cash equivalents

Cash at bank in hand	681,477	1,194,141
	681,477	1,194,141

In the current year, all term deposits had maturity dates of 3 months. Under AASB107, these qualify as being cash equivalents, however Children's Ground Ltd has determined that for consistency reasons as well as the nature of these term deposits being solely used as interest income-generating investments, these would be more appropriately classified as financial assets.

Refer to Note 6 for a detailed breakdown of term deposits.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

5. Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivable	25,056	51,777
Interest receivable	11,581	6,856
	<u>36,637</u>	<u>58,633</u>
Other receivables	14,359	7,938
GST receivable	42,511	124,975
	<u>56,870</u>	<u>132,913</u>
Total current trade and other receivables	<u><u>93,507</u></u>	<u><u>191,546</u></u>

All amounts are short-term and the net carrying value of trade receivables is considered a reasonable approximation of fair value.

(a) Provision for Doubtful Debts

There was no provision for Doubtful Debts as at 30 June 2016.

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
	\$	\$	\$	\$	\$	\$	\$
2016							
Trade Receivables	25,056	-	22,000	-	1,650	-	1,406
Other debtors	14,359	-	-	-	-	-	14,359
Total	<u>39,415</u>	<u>-</u>	<u>22,000</u>	<u>-</u>	<u>1,650</u>	<u>-</u>	<u>15,765</u>
2015							
Trade Receivables	51,777	-	88	-	-	-	51,689
Other debtors	7,938	-	-	-	-	-	7,938
Total	<u>59,715</u>	<u>-</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,627</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

6. Other financial assets

	2016	2015
	\$	\$
CURRENT		
Held to maturity financial assets	3,384,873	1,723,957
Total financial assets	3,384,873	1,723,957

Term deposits are held at the following terms and rates, with maturity dates of 3 months:

- \$1,158,292 - held at 2.65% p.a
- \$455,372 - held at 2.90% p.a;
- \$535,000 - held at 2.90% p.a;
- \$1,236,209 - held at 2.7% p.a

7. Other non-financial assets

	2016	2015
CURRENT		
Prepayments	59,137	35,613
Other current assets	1,540	585
	60,677	36,198

8. Plant and equipment

PLANT AND EQUIPMENT		
Motor vehicles		
At cost	463,309	388,792
Accumulated depreciation	(144,945)	(69,320)
Total motor vehicles	318,365	319,472
Office equipment		
At cost	150,087	127,912
Accumulated depreciation	(77,076)	(41,427)
Total office equipment	73,011	86,485
Total plant and equipment	391,376	405,957

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Notes to the Financial Statements

For the Year Ended 30 June 2016

8. Plant and equipment continued

Movements in Carrying Amounts

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
	\$	\$	\$
2016			
Year ended 30 June 2016			
Balance at the beginning of year	319,472	86,485	405,957
Additions	74,516	22,175	96,691
Depreciation expense	(75,623)	(35,649)	(111,272)
Balance at end of year	318,365	73,011	391,376
2015			
Year ended 30 June 2015			
Balance at 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 end of year	319,472	86,485	405,957

9. Intangible Assets

	2016	2015
	\$	\$
Website Development		
Cost	79,900	-
Accumulated amortisation	(6,658)	-
Net carrying value	73,242	-
Jabiru Cafe Goodwill		
Cost	10,966	-
Net carrying value	10,966	-
Total Intangibles	84,208	-

In June 2016, Children's Ground entered into an agreement for the sale of business for Jabiru Cafe in the Northern Territory. The total cost of sale was \$23,500 which comprises \$10,966 of goodwill, \$10,620 of fixed assets, and \$2,181 of other costs that have been expensed.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

10. Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	238,820	95,764
Accrued expenses	206,912	145,068
Other payables	16,385	33,790
	<u>462,117</u>	<u>274,622</u>

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

11. Employee Benefits

CURRENT		
Provision for annual leave	125,033	104,748
NON-CURRENT		
Provision for long service leave	44,185	-
Total employee benefits	<u>169,218</u>	<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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

12. Other Financial Liabilities

	2016	2015
	\$	\$
Income in Advance	-	4,470
	<u>-</u>	<u>4,470</u>

13. Capital and Leasing Commitments

Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	42,795	41,348
- between one year and five years	-	42,795
- later than five years	-	-
	<u>42,795</u>	<u>84,143</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 expiring 30 June 2017.

14. Cash Flow Information

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

Surplus for the year	896,824	120,161
Non-cash flows in profit:		
Depreciation and amortisation expense	117,932	65,718
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	97,084	(184,379)
- (increase)/decrease in prepayments	(23,524)	(32,812)
- increase/(decrease) in trade and other payables	187,495	(85,953)
- increase/(decrease) in income in advance	(4,470)	4,470
- increase/(decrease) in employee benefits (current)	20,285	30,956
- increase/(decrease) in employee benefits (non-current)	44,185	-
Cashflow from operations	<u>1,335,811</u>	<u>(81,839)</u>

15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None).

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Notes to the Financial Statements

For the Year Ended 30 June 2016

16. Related Parties

Transactions with 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.

Short term employee benefits are paid to Jane Vadiveloo (CEO) and David James (Managing Director) as salaries. No other directors were remunerated during the year. Consultancy fees relate to consulting fees paid to William Tilmouth, the Board Chair.

	2016	2015
	\$	\$
Transactions with key management personnel		
Short-term employee benefits	309,617	291,003
Consultancy fees		
Services provided by William Tilmouth	14,575	12,412

17. 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 and liquidity risk. The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payables. The most significant risks are related to bank and term deposit balances, of which are all held with major financial institutions.

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	681,477	1,194,141
Trade and other receivables	5	93,507	191,546
Other financial assets	6	3,384,873	1,723,957
Total financial assets		4,159,857	3,109,644

Financial Liabilities

Trade and other payables	10	462,117	274,622
Total financial liabilities		462,117	274,622

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Notes to the Financial Statements

For the Year Ended 30 June 2016

17. Financial Risk Management continued

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, such as granting receivables to customer and investments in deposits. The company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, such as those detailed in the table above.

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 14. All trade and other payables are contractually due and expected to be settled within 60 days of year end.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +0.5% (2015: +0.5%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit		Equity	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
2016	16,924	(16,924)	(16,924)	16,924
2015	11,164	(11,152)	(11,164)	11,152

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Notes to the Financial Statements

For the Year Ended 30 June 2016

18. 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.

19. Events Occurring After the Reporting Date (refer also Note 1(n) Economic dependence)

Subsequent to reporting date (after 30 June 2016) Children's Ground received correspondence from Gundjehmi Aboriginal Corporation (GAC) advising that they do not support Children's Ground operations beyond September 2018. Children's Ground is developing contingencies to continue the commitment to children and families in Kakadu West Arnhem beyond this date. This development does not affect operations in Alice Springs or ongoing discussions currently occurring regarding new sites.

20. 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 2016 the number of members was 6 (2015: 6).

21. 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

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Directors' Declaration

The directors of Children's Ground Ltd have determined that the Company is not a reporting entity and these general purpose financial statements should be prepared in accordance with the accounting policies as outlined in Note 1 to the financial statements.

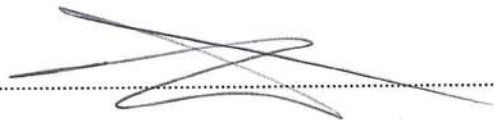
In the opinion of the directors, the financial report as set out on pages 5 - 21:

- (i) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date, and;
- (ii) as at the date of this statement, there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they fall due, and;
- (iii) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

This declaration is made in accordance with a resolution of the Board of Directors.



Director



Director

Dated: 19th October 2016

Children's Ground Limited

ABN 74 154 403 086

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 2016, 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 director's declaration.

Directors' Responsibility for the Financial Report

The directors of the company are 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

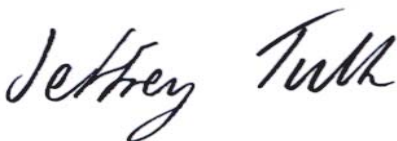
ABN 74 154 403 086

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

Opinion

In our opinion, the financial statements of Children's Ground Ltd have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year then ended on that date, and;
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Saward Dawson Chartered Accountants**Jeffrey Tulk
Partner

Blackburn

Dated: 19 October 2016