

Literacy for Life Foundation
General Purpose Financial Report
for the year ended
30 June 2015

Literacy For Life Foundation



ABN 83 163 634 777

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Literacy For Life Foundation

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Directory

Literacy For Life Foundation

For the year ended 30 June 2015

Directors of Literacy for Life Foundation

Ms Patricia Anderson
Mr Don A Aroney
Mr Jack A Beetson
Mr John P Flecker
Ms Donna Ah Chee

Registered Office

Level 22
135 King Street
SYDNEY NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Auditor

Deloitte Touche Tohmatsu
225 George Street, Grosvenor Place
SYDNEY NSW 2000
Telephone: + 61 (0) 2 9322 7000
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Directors' Report

Literacy For Life Foundation

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For the year ended 30 June 2015

Introduction

The Directors of Literacy For Life Foundation ("the Company") present their report together with the financial statements of the Company for the year ended 30 June 2015 and the Independent Audit Report thereon.

Directors

The Directors and officers at any time during or since the end of the financial year are:

Name	Title
Ms Patricia Anderson	Director
Mr Don A Aroney	Director
Mr Jack A Beetson	Director
Mr John P Flecker	Director
Ms Donna Ah Chee	Director

Ms Patricia Anderson was appointed to the board on 7 May 2014.

Mr Don A Aroney was appointed to the board on 7 May 2014.

Mr Jack A Beetson was appointed to the board on 7 May 2014.

Mr John P Flecker was appointed to the board on 7 May 2014.

Ms Donna Ah Chee was appointed to the board on 7 May 2014.

The company secretary at any time during or since the end of the financial year is Don A Aroney.

Principal activities

The principal activities of Literacy For Life Foundation (the Company) are to significantly reduce the rate of illiteracy within the Aboriginal adult population. Activities include engaging local personnel and producing resources and materials to support all phases of literacy campaigns and securing and disbursing funds to affect the objectives of the Company.

Review of operations and results

The Company recorded a deficit after tax of \$141,665 for the year ended 30 June 2015 (\$139,418 surplus for the period to 30 June 2014).

Events subsequent to the reporting date

Other than as disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Company's operations in future financial periods, the results of those operations or the Company's state of affairs in future financial periods.

Likely developments and expected results of operations

It is envisaged that the Company will continue to operate in its current form.

Auditor's independence declaration

The auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the year ended 30 June 2015.

The Directors' Report is signed in accordance with the resolution of directors.

On behalf of the Directors



Don A Aroney
Director

28 October 2015

Auditor's Independence Declaration Literacy For Life Foundation

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For the year ended 30 June 2015

Statement of Profit or Loss and other Comprehensive Income

Literacy For Life Foundation

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For the year ended 30 June 2015

	Note	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
Revenue	5	487,281	342,650
Interest income		2,106	388
Administrative expenses	6	(82,267)	(53,620)
Other expenses	7	(548,785)	(150,000)
(Deficit) / Surplus before income tax		(141,665)	139,418
Income tax expense		-	-
(Deficit) / Surplus for the year / period		(141,665)	139,418
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year / period		(141,665)	139,418

The Statement of Profit or Loss and other Comprehensive Income / Loss should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

Literacy For Life Foundation

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As at 30 June 2015

	Note	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
Assets			
Current assets			
Cash and cash equivalents	8	32,378	315,194
Trade & Other Receivables	9	6,932	-
Total current assets		39,310	315,194
Non-current assets			
Total non-current assets		-	-
Total assets		39,310	315,194
Liabilities			
Current liabilities			
Trade and other payables	10	(41,557)	(175,776)
Total current liabilities		(41,557)	(175,776)
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		(41,557)	(175,776)
Net (liabilities) / assets		(2,247)	139,418
Equity			
(Accumulated Deficit) / Retained earnings		(2,247)	139,418
Total equity		(2,247)	139,418

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

Literacy For Life Foundation

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For the year ended 30 June 2015

	Reserves \$	Accumulated Deficit \$	Total \$
As at 1 July 2014	-	139,418	139,418
Deficit for the year	-	(141,665)	(141,665)
Other comprehensive income	-	-	-
Total comprehensive (loss) for the year	-	(141,665)	(141,665)
As at 30 June 2015	-	(2,247)	(2,247)

	Reserves \$	Retained Earnings \$	Total \$
As at 7 May 2013	-	-	-
Surplus for the period	-	139,418	139,418
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	139,418	139,418
As at 30 June 2014	-	139,418	139,418

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

Literacy For Life Foundation

For the year ended 30 June 2015

	Note	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
Cash flows from operating activities			
Donations		71,712	49,244
Sponsorships		390,500	272,668
Interest received		2,106	388
Payments to suppliers		(747,134)	(7,106)
Net cash (outflow)/inflow from operating activities	11	(282,816)	315,194
Net increase in cash equivalents held		(282,816)	315,194
Cash and cash equivalents at the beginning of the financial year / period		315,194	-
Cash and cash equivalents at the end of the financial year / period		32,378	315,194

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

Literacy For Life Foundation

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For the year ended 30 June 2015

1 Nature of Operations

The principal activity of the Literacy For Life Foundation (the Company) is to significantly reduce the rate of illiteracy within the Aboriginal adult population. This will be enacted by engaging with communities and planning, leading, managing, advising on, and resourcing the delivery of literacy campaigns within remote & metropolitan communities. Activities include engaging local personnel and producing resources and materials to support all phases of the literacy campaigns and securing and disbursing funds to affect the objectives of the Company.

The company was incorporated on 7 May 2014. And therefore comparative information is for the period 7 May 2014 to 30 June 2014.

2 Statement of compliance

The general purpose financial statements of the company 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. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the company applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Literacy For Life Foundation is a private company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 22, 135 King Street, Sydney, NSW, Australia.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the board of directors on 20 November 2015.

3 Basis of preparation

The financial report has been prepared in an accruals basis and is based on historical cost. Costs are based on the fair values of the consideration given in exchange for assets. All amounts are in Australian Dollars, unless otherwise noted.

In the current year, the Company had adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The revised standards and interpretations adopted did not have an impact on the financial statements.

The financial report has been prepared on a going concern basis, as the Company has no external borrowings and has the ongoing support of its principal partners Brookfield Multiplex and the net cash inflows from operating activities are expected to be sufficient to enable the Company to pay its debts as and when they fall due.

4 Summary of accounting policies

a. Revenue

Revenue comprises revenue from donations and corporate and government sponsorships.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Government grants

A number of the Company's programs are supported by grants received from the federal, state and local governments.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

Where the Company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Client contributions

Fees charged for care or services provided to clients are recognised when the service is provided.

Notes to the Financial Statements

Literacy For Life Foundation

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For the year ended 30 June 2015

4 Summary of accounting policies (Continued)

Donations, Bequests and Corporate Sponsorships

Donations collected, including cash, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Company becomes legally entitled to the shares or property.

Corporate sponsorships are recognised when the economic benefits are probable and the amount can be measured reliably.

Interest and dividend income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

b. Operating Expenses

Expenses are recognised upon utilisation of the service or at the date of their origin.

c. Income taxes

No provision for income tax has been raised as the Company is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

d. Cash and cash equivalents

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

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 components of investing and financing activities, which are disclosed as operating cash flows.

f. Economic Dependence

The Company is dependent upon the ongoing receipt of community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

g. Standards and interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective. Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report:

Notes to the Financial Statements

Literacy For Life Foundation

For the year ended 30 June 2015

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4 Summary of accounting policies (Continued)

(i) Standard/Interpretation	(ii) Effective for annual reporting periods beginning on or after	(iii) Expected to be initially applied in the financial year ending
• AASB 15 – ‘Revenue from Contracts with Customers’	(iv) 1 January 2017	(v) 30 June 2015
• AASB 2015-7 ‘Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities’	(vi) 1 July 2016	(vii) 30 June 2017
• AASB 2015-6 ‘Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Sector Entities’	(viii) 1 July 2016	(ix) 30 June 2017
• AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	(x) 1 January 2016	(xi) 31 December 2016
• AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from withdrawal of AASB 1031 Materiality’	(xii) 1 July 2015	(xiii) 30 June 2016

Notes to the Financial Statements

Literacy For Life Foundation

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For the year ended 30 June 2015

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
5 Revenue		
Corporate Sponsorships	295,000	200,000
Government Grants	60,000	47,880
Donations	71,712	49,244
In-kind Brookfield Multiplex Donations (i)	60,569	45,526
Total revenue	487,281	342,650

(i) In-kind donations are pro-bono services provided by Brookfield Multiplex. The estimated cost of these services provided are listed in Note 6.

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
6 Administrative Expenses		
Audit fees	7,250	5,000
Bank fees	316	103
Printing costs	7,911	1,774
Brookfield Multiplex in-kind consulting fees – marketing and communication	19,616	19,066
Brookfield Multiplex in-kind consulting fees – business services	27,366	17,676
Brookfield Multiplex in-kind consulting fees – accounting	13,587	8,784
Other	6,221	1,217
Total cost of operations	82,267	53,620

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
7 Other expenses		
Penrith Panthers District Football Club sponsorship	150,000	150,000
Campaign Costs (ii)	398,785	-
Total other expenses	548,785	150,000

(ii) Campaign Costs consist of costs incurred in the process of undertaking literacy programs in New South Wales within the communities of both Bourke and Breworina.

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
8 Cash and cash equivalents at the end of the financial period		
Cash at bank	23,378	315,194
Petty Cash	9,000	-
Total cash & cash equivalents at the end of the financial period	32,378	315,194

Cash at bank is held on call deposit with Australia and New Zealand Banking Group Limited.

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
9 Trade and other receivables		
Net GST Receivable	5,812	-
Tender / Other deposits	1,120	-
Total trade and other receivables	6,932	-

Notes to the Financial Statements

Literacy For Life Foundation

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For the year ended 30 June 2015

	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
10 Trade and other payables		
GST payable	-	20,776
Audit fee accrual	7,000	5,000
Campaign accrual	34,557	150,000
Total trade & other payables	41,557	175,776

	Year ended 30 Jun 2015 \$	Period ended June 2014 \$
11 Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Net (deficit) / surplus for the year / period	(141,665)	139,418
Net changes in working capital:		
(Decrease) / Increase in payables	(134,219)	175,776
(Increase) in receivables	(6,932)	-
Net cash from operating activities	(282,816)	315,194

12 Events subsequent to the reporting date

There have been no significant events or transactions that have arisen since the end of the financial year which, in the opinion of the Directors, would affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company.

13 Auditor's remuneration

The auditor of the Company is Deloitte Touche Tohmatsu. Auditor's remuneration will be paid by the Company for the year ended 30 June 2015.

14 Related party transactions

Related parties of the Company 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 settled in cash.

Transactions with key management personnel

Key management of the Company are the executive members of Literacy For Life Foundation's Board of Directors and members of the executive council. Key Management Personnel remuneration includes the following expenses:

- The Company have contracted Mr Jack Beetson as Executive Director of the Company. During the year Mr Beetson was paid \$96,027 (period ended 30 June 2014, \$1,082). There was no outstanding balance at reporting date under review.
- Mr John Flecker and Mr Don Aroney as Directors of the Company are also employees of Brookfield Multiplex, principal patron of the Company. They provide their services to the Company in a personal capacity and have not received remuneration during the year ended 30 June 2015.

15 Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to the year ended 30 June 2015.

Notes to the Financial Statements

Literacy For Life Foundation

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For the year ended 30 June 2015

16 Capital management policies and procedures

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

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

Management effectively manages the Company's capital by assessing the Company's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

17 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 \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2015, the total amount that members of the Company are liable to contribute if the Company wound up is \$250.

18 Segment information

The company's operations for the year ended 30 June 2015 are to significantly reduce the rate of illiteracy within the Aboriginal adult population. The Directors consider this to be one business segment and all activity takes place within Australia.

19 Additional information required to be furnished under the Charitable Fundraising Act 1991

(a) Statement showing how funds were applied to charitable purposes

- During the year, the company received gross income of \$487,281 from donations and sponsorships.
- The company spent \$631,052 during the year.

(b) Monetary figures and percentages:

	Year ended 30 Jun 2015 %	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 %	Period ended 30 Jun 2014 \$
Total comprehensive (loss) / income	-	(141,665)	41	139,418
Gross income from donations and sponsorships		487,281		342,650
Total campaign cost / Total expenditure	63	398,785 631,052	-	- 203,620
Total expenditure/ Total income received	129	631,052 489,387	59	203,620 343,038

Responsible Persons

Literacy For Life Foundation

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For the year ended 30 June 2015

Responsible Persons

The responsible persons declare that:

- (a) in the responsible persons 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; and
- (b) in the responsible persons opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991(NSW) including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the board members made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the responsible persons.



Don A Aroney
28 October 2015
Sydney, NSW

Declaration by the Board of Directors in respect of fundraising appeals

In the opinion of the Board of Directors:

- (a) the financial statements for the year ended 30 June 2015 give a true and fair view of all income and expenditure of Literacy for Life Foundation Limited with respect to fundraising appeals; and the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (b) the provisions of the Charitable Fundraising Act 1991(NSW) and the regulations under that Act and the conditions attached to the authority have been complied with.
- (c) The internal controls exercised by Literacy for Life Foundation are appropriate and effective in accounting for all income received from any fundraising appeals and the application thereof.

On behalf of the Directors



Don A Aroney
28 October 2015
Sydney, NSW

Independent Audit Report Literacy For Life Foundation

For the year ended 30 June 2015