

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
ABN 28 133 921 614

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2018

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

CONTENTS

	Page
Directors' Report	2
Auditor's Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes In Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	13
Independent Auditor's Report	14

General Information

The financial report covers Adopt Change Limited ("Company") as an individual entity. The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Directors' Declaration.

Adopt Change Limited is a not-for-profit unlisted public Company Limited by Guarantee, a registered charity with the Australian Charities and Not-for-Profits Commission (ACNC), and incorporated and domiciled in Australia. Its registered office and principal place of business are:

231 Wardell Road
DULWICH HILL, NSW 2203

A description of the Company's principal activity is included in the Directors' Report, which is not part of the financial statements.

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2018 and the Independent Audit Report thereon.

DIRECTORS

The names of the Directors of the Company during or since the end of the financial year are:

Catherine McDonnell	
John O'Neill	
Victoria Buchan	
Kerry Chikarovski	
Helen Baker	Appointed 22 Feb 2018

PRINCIPAL ACTIVITY

The Company's purpose is to support vulnerable children in need, particularly those in government care, foster care, orphans or children without families, and their carers, families and guardians.

CONTRIBUTIONS ON WINDING UP

The amount that each member of the Company is liable to contribute if the Company is wound up is \$100. The Company had four members at the commencement of the financial year, and five members at the end of the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on page 3.

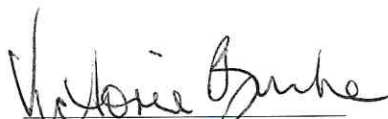
This report is made in accordance with a resolution of the Directors.

On behalf of the Directors;



Catherine McDonnell
Director

Date: 6 December 2018



Victoria Buchan
Director

Date: 6 December 2018


ADOPT CHANGE LTD
(a Company Limited by Guarantee)

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 AND
DIVISION 60-40 OF THE ACNC ACT 2012 TO THE BOARD OF ADOPT CHANGE LTD**

To the Directors of Adopt Change Ltd:

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, in relation to the audit of Adopt Change Ltd for the year ended 30 June 2018, there have been:

- i) no contraventions of the auditor independence requirements as set out in 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.



Christopher Coote FCA
Christopher Coote & Co Pty Ltd, Chartered Accountants
Authorised Audit Company No 283027

Dated:

17 November 2018

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
INCOME			
Donations Received		5,437	5,055
Grants		207,391	484,291
Funded Service Project		186,580	-
Fundraising Contributions		280,176	10,500
Interest Received		1,610	1,614
Other Revenue		34,080	3,638
		715,274	505,098
EXPENSES			
Audit, Legal and Accounting Fees		37,077	32,981
Consultancy Fees		227,818	76,461
Depreciation		14,306	865
Employee Benefits	3	228,749	214,906
Fundraising & Event Expenses		187,502	33,427
IT Expenses		25,159	63,558
Management & Board Expenses		1,734	4,902
Office Expenses		28,406	6,377
Travel & Accomodation		61,416	34,176
Other Expenses		3,656	3,677
TOTAL EXPENSES		815,823	471,330
SURPLUS/(DEFICIT) FOR THE YEAR		(100,549)	33,768
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR		(100,549)	33,768

The accompanying notes form part of these financial statements

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	960,941	447,351
Trade & Other Receivables	5	3,600	338
Other Current Assets	6	19,361	2,970
		983,902	450,659
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	1,595	2,660
		1,595	2,660
TOTAL ASSETS		985,497	453,319
CURRENT LIABILITIES			
Trade & Other Payables	8	96,177	10,793
Provisions	9	7,993	6,639
Income Received in Advance	10	545,989	-
		650,159	17,432
TOTAL LIABILITIES		650,159	17,432
NET ASSETS		335,338	435,887
EQUITY			
Accumulated Funds		335,338	435,887
TOTAL EQUITY		335,338	435,887

The accompanying notes form part of these financial statements

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

	Note	Accumulated Funds \$	Total \$
BALANCE AT 1 JULY 2016		402,119	402,119
Surplus/(Deficit) for the Year		<u>33,768</u>	<u>33,768</u>
BALANCE AT 30 JUNE 2017		435,887	435,887
BALANCE AT 1 JULY 2017		435,887	435,887
Surplus/(Deficit) for the Year		<u>(100,549)</u>	<u>(100,549)</u>
BALANCE AT 30 JUNE 2018		<u>335,338</u>	<u>335,338</u>

The accompanying notes form part of these financial statements

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Donations & Appeals		310,036	16,651
Receipts from Grants		208,280	484,291
Receipts from Funded Service Project		805,827	-
Receipts from Other Income		43,858	19,302
Interest Received		1,610	1,613
Payments to Suppliers & Employees		<u>(842,780)</u>	<u>(518,875)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>526,831</u>	<u>2,982</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		<u>(13,241)</u>	<u>(1,450)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(13,241)</u>	<u>(1,450)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>513,590</u>	<u>1,532</u>
CASH AT BEGINNING OF THE FINANCIAL YEAR		447,351	445,819
CASH AT END OF THE FINANCIAL YEAR	4	<u><u>960,941</u></u>	<u><u>447,351</u></u>

The accompanying notes form part of these financial statements

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. CORPORATE INFORMATION

The financial statements of Adopt Change Ltd for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 13 September 2018.

The Company is a not-for-profit unlisted public Company Limited by Guarantee, a registered charity with the ACNC, and is incorporated and domiciled in Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements have been prepared on an accruals basis and is based on historical costs.

The financial statements are presented in Australian dollars which is the Company's functional and presentational currency.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Significant Accounting Judgements & Estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

There are no estimates or judgements which have risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

c) Income

Income comprises revenue from grants, fundraising activities and funded service project revenue.

Income is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Income is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Grant Revenue

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant, it is probably that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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.

Funded Service Project Revenue

Funded Service Project revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the service funds, it is probably that the economic benefits gained from the service funds will flow to the entity and the amount of the service funds can be measured reliably.

When service funds are received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the funded service project revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the service funds are recognised as income on receipt.

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) Income (cont.)

Fundraising Activities

Fundraising activities include the conducting of conferences, fundraising events, sale of merchandise and sponsorship for events. Funds collected from fundraising, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the fundraising monies can be measured reliably.

d) Income Tax

The Company is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*. Accordingly, Australian Accounting Standard AASB 112 *Income Taxes* has not been applied and no provision for income tax has been included in the Accounts.

e) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of purchase of the asset or as part of the expense.

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

f) Cash & Cash Equivalents

Cash and Cash Equivalents includes Cash at Bank.

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Cash Equivalents as defined above.

g) Property, Plant & Equipment

Property, Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

The cost model is used. The asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset where applicable.

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to Adoption Change Limited commencing from the time the asset is held ready for use. The useful lives used for each class of depreciable assets are shown below:

Office Equipment (purchased pre 1 July 2017)	6	Years
Office Equipment (purchased post 1 July 2017)	1	Year
Furniture	1	Year

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

h) Impairment

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

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the profit and loss section of the Statement of Comprehensive Income.

i) Employee Entitlements

Liabilities for employee benefits for wages, salaries that are expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the association expects to pay as at reporting date including related on-costs.

Non-accumulating non-monetary benefits, such as sick leave, are expensed based on the net marginal cost to the Company as the benefits are taken up by the employees.

Contributions made by the company to employee superannuation funds are charged as expenses when incurred.

j) Leases

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

k) Income Received in Advance

The liability for deferred income is the unutilised amounts of service funds received on the condition that specified services are delivered or conditions are fulfilled.

l) Economic Dependence

The Company is dependent upon the ongoing receipt of Federal and State Government grants and 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.

m) Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
3. EMPLOYEE BENEFITS	\$	\$
Salaries & Wages	203,860	186,876
Superannuation	17,807	17,983
Employee Benefit Provisions	1,352	841
Other Employee Benefits	5,730	9,206
	<u>228,749</u>	<u>214,906</u>
4. CASH & CASH EQUIVALENTS		
Cash at Bank	<u>960,941</u>	<u>447,351</u>
5. TRADE & OTHER RECEIVABLES		
Trade Receivables	<u>3,600</u>	<u>338</u>
<p>The carrying value of Trade Receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.</p>		
6. OTHER ASSETS		
Current		
Prepaid Expenses	8,068	2,970
Lease Deposit Paid	11,293	-
	<u>19,361</u>	<u>2,970</u>
7. PROPERTY, PLANT & EQUIPMENT		
Office Equipment At Cost	16,066	5,286
Less Accumulated Depreciation	(14,470)	(2,626)
Furniture At Cost	2,462	-
Less Accumulated Depreciation	(2,462)	-
Total Office Equipment	<u>1,596</u>	<u>2,660</u>
8. TRADE & OTHER PAYABLES		
Sundry Creditors & Accruals	32,276	9,451
GST Payable	58,815	-
Payroll Liabilities	5,086	1,342
	<u>96,177</u>	<u>10,793</u>
9. PROVISIONS		
Current		
Provision for Annual Leave	<u>7,993</u>	<u>6,639</u>
10. INCOME RECEIVED IN ADVANCE		
Funded Service Project Funds Received in Advance	<u>545,989</u>	<u>-</u>

ADOPT CHANGE LTD
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (cont.)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

11. RELATED PARTY TRANSACTIONS

The Directors act in an honorary capacity and receive no compensation for their services other than reimbursement of expenses incurred in relation to their capacity as Directors.

12. LEASES

The Company commenced a 3-year-lease agreement from 18 June 2018. The Company's minimum operating lease payments are as follows

	\$	\$
- not later than 1 year	34,283	-
- later than 1 year but not later than 5 years	89,137	-
	123,420	-
	123,420	-

Increases in lease commitments will occur annually in line with CPI or 3%, in accordance with the agreement.

13. CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2018 or 2017.

14. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

15. MEMBERS' GUARANTEE

Adopt Change Ltd is a Company Limited by Guarantee and by its Constitution, the liability is restricted to \$100 per member. The Company has 5 members. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company wound up is \$500 (2017: \$400).


ADOPT CHANGE LTD
(a Company Limited by Guarantee)
DIRECTORS' DECLARATION

In the Directors' opinion:

1. the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements and give a true and fair view of the financial position of the Company on 30 June 2018 and of its performance for the financial year ended on that date;
2. the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and
3. There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* ;

On behalf of the directors;



Catherine McDonnell
Director

Date: 6 December 2018



CHRISTOPHER COOTE & CO.

CHARTERED ACCOUNTANTS

The Screen Industry Specialists

- Auditing
- Taxation
- Xero/MYOB Accounting
- Business Development

INDEPENDENT AUDITOR'S REPORT

231 Wardell Road
Dulwich Hill
NSW 2203

Opinion

We have audited the financial report of Adopt Change Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Adopt Change Limited, is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as 30 June 2018, and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the same time of this auditor's report.

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

Liability limited by a scheme approved under Professional Standards Legislation

Christopher Coote & Co. Pty Ltd ABN 25 003 511 573 Authorised Audit Company

Christopher Coote & Co. Services Pty Ltd ABN 65 001 904 329 Taxation & Accounting

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Email chris@chriscoote.com.au • www.chriscoote.com.au • Principal: Christopher Coote FCA



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of this financial report.

Signed



Christopher Coote & Co Pty Ltd, Chartered Accountants, Authorised Audit Company

Christopher Coote FCA Director

2 Kochia Lane, Lindfield, NSW 2070

14 November 2018