The Smith Family

everyone's family

A.C.N. 000 030 179

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

THE SMITH FAMILY (A.C.N. 000 030 179)
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

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Registered Office
The Smith Family
Level 9, 117 Clarence Street
SYDNEY NSW 2000

THE SMITH FAMILY
DIRECTORS' REPORT
30 JUNE 2015

DIRECTORS' REPORT

The directors of The Smith Family present their report for the year ended 30 June 2015.

1. The Directors

The following persons were directors of The Smith Family during the whole of the financial year and up to the date of this report unless otherwise stated:

A.K. Abey
C.N. Bartlett
C. Cawsey
J.A. Harmer
M.G. Johnson
C.F. McLoughlin
J.C.R. Maycock
J.M. Millar
L.J. O'Brien

P.X. Tobin was a director until his retirement on 22 June 2015.

K.W. Wiltshire was a director until his retirement on 31 December 2014.

2. Strategic Priorities

The Company's mission is to create opportunities for young Australians in need by providing long-term support for their participation in education.

Over the coming years, the Company's strategic priorities to support its mission are to:

(i) Provide effective support through innovative, quality programs;

(ii) Connect the Australian community with the plight of disadvantaged children and engage them in supporting our mission;

(iii) Be an influential advocate for disadvantaged young Australians; and

(iv) Build a high-performing and sustainable organisation.

3. Principal Activities

The Company undertakes a number of activities to achieve its objectives:

Policy and Programs

The Company provides long-term support to children and young people in need through financial sponsorships to cover essential education costs as well as mentoring and other programs, to help keep them engaged with their education.

By working in multiple areas of influence the Company improves the likelihood of positive outcomes for them, their families and their wider communities, taking a ‘whole of community’ and evidence-informed approach to leverage and coordinate the skills and resources of parents, educational institutions, community organisations and businesses.

This year the Company's programs reached almost 125,000 young Australians and their parents or carers in ninety-four communities in every state and territory throughout Australia.

Fundraising

The Company increased its investment in fundraising in 2014-15 to support the implementation of its longer-term growth plans. This investment focused particularly on the core areas of Individual, Major Donor and Corporate fundraising, enhancing our expertise and our market value proposition, and continuing to promote new and improved fundraising channels and activities. This investment is directed at the sustainable generation of the resources required to support planned growth in the organisation's work in the community, and to enable the organisation to engage with more Australians than ever before in seeking their support for our work.

Once again the Company has delivered an efficient cost-to-funds raised ratio. In the past year 82 per cent of fundraising revenue and funding from Government has been available to support programs benefiting disadvantaged children and their families. For *Learning for Life* sponsors, 100 per cent of their sponsorship benefits the sponsored child.

Multi-year partnerships with business, government and educational institutions contributed $32.6 million in 2015 (2014: $36.5 million), while financial support from individual donors and sponsors totalled $34.3 million (2014: $30.9 million).

Volunteering

Volunteers have continued to be important contributors to the achievement of our vision and mission. In 2015 volunteer time contributed was estimated to be 517,000 hours (2014: 463,000 hours).

Recycling Operations

Recycling Operations include the collection, recycling and sale of secondhand goods to generate profits which offset infrastructure costs of the Company.

4. Dividends

The Company is prohibited by its Constitution from declaring dividends to members.

DIRECTORS' REPORT

5. Liability of Members

The membership of the Company is classified as follows:

(i)	Governing Members	25
(ii)	Life Members	36
(iii)	Family Members	156
	Total	**217**

Each member is liable to contribute a maximum of $1.00 for the payment of the Company's debts and liabilities in the event that the Company is wound up while they are a member or within one year of their ceasing to be a member. The total liability of members is limited to $217.

6. Review of Operations

Operating result

Revenue for the year increased by 5.5% to $106.3 million (2014: $100.8 million). During the year the Company continued to invest in the achievement of its five year strategy, maintaining expenditure on community programs in support of its mission at $61.8 million (2014: $61.9 million) despite a significant fall in government-sourced revenue as a result of the winding up of the School Community Business Partnership Broker Program in December 2014, and by a significantly increased investment in fundraising.

The net surplus for the year was $4,910,000 (2014: $2,162,000).

7. Information on Directors

Director	Experience	Special Responsibilities
J.M. Millar AM BComm FCA FAICD	Chairman and Non-executive Director since 2011; Non-executive Director, Mirvac Limited; Fairfax Media Limited; Helloworld Limited and Macquarie Radio Network Limited; Chairman, Export Finance and Insurance Corporation and Forestry Corporation of NSW; Trustee, Australian Cancer Research Foundation and Vincent Fairfax Family Foundation; Member, UNSW Australia School of Business Advisory Council and Grant Samuel Advisory Board; Former CEO of Ernst & Young Oceania Region.	Chairman of the Board; Member of the Corporate Governance, Finance, Audit & Risk and People & Culture Committees
A.K. Abey BEc BA (Hons) FFSIA	Non-executive Director since 2007; Co-founder and Chairman of ipac securities limited and Walsh Bay Partners Pty Ltd; Strategy Consultant and former General Manager of Strategy and Corporate Social Responsibility for the AXA Asia Pacific Group; extensive experience in investment and economic market research; has written extensively on investment matters in both the press and academic journals, and is the co-author of a number of books relating to money and well-being.	Chairman of the Finance, Audit & Risk Committee
C.N. Bartlett BSc, MAICD	Non-executive Director since 2007; Non-executive Director, Mirvac Limited and GBST Limited; Member, Minter Ellison Advisory Council and UNSW Australia Business School Advisory Council; former Director, PropertyLook and National Nominees Limited and former Deputy Chairman of the Australian Custodial Services Association; extensive management experience with IBM, Jones Lang LaSalle and NAB.	Chairman of the People & Culture Committee
C. Cawsey AM BA Dip Ed, MEd Admin	Non-executive Director since January 2013; Principal of Rooty Hill High School and Immediate Past President of the NSW Secondary Principals' Council; former member of the Premier's Council for Women; member of GWS Giants AFL team board; member of ACEL board; co-author of *Learning for Leadership - Building a School of Professional Practice* (2009).	
Dr J.A. Harmer AO BA (Hons), Dip Ed, PhD, FAIM, FIPAA, FANZSOG	Non-executive Director since January 2013; Co-Chair of the Ministerial Council on Child Care and Early Learning; Director of Capital Health Network in the ACT; Director of the Australian Housing and Urban Research Unit; former Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs (2004-2011) and of the Department of Education, Science and Training (2003-2004); former Managing Director of the Health Insurance Commission (1998-2003).	Member of the Corporate Governance Committee
M.G. Johnson BComm FCA CPA FAICD	Non-executive Director since 2012; Director, Westfield Corporation; The Hospital Contribution Fund of Australia Limited and HSBC Bank Australia Limited; Chairman, MH Premium Farm Holdings Limited; former Chief Executive Officer of PwC in Australia (2008-12) and Chairman of PwC Foundation, as well as filling senior roles over 15 years managing PwC's Assurance and Business Advisory Services line of services, and its Consumer and Industrial Products team and Audit, Technical, Risk and Quality groups; Member, UNSW Australia School of Business Advisory Council.	Member of the Finance, Audit & Risk Committee
C.F. McLoughlin BA LLB (Hons)	Non-executive Director since 2009; Deputy Chairman since 2011; Non-executive Director, Suncorp Group, Whitehaven Coal Limited; NIB Holdings Limited and Spark Infrastructure Group; Member, Minter Ellison Advisory Council; Inaugural Chairman, Australian Payments Council; former member, Aon Advisory Board; former Director, AMP Foundation; Australian Nuclear Science & Technology Organisation, St James Ethics Centre;Victorian Transport Accident Commission and Westpac's Life & General Insurance entities; background in law, financial services, insurance and telecommunications.	Deputy Chairman of the Board; Member of the People & Culture Committee

DIRECTORS' REPORT

Director	Experience	Special Responsibilities
J.C.R. Maycock BEng (Hons), FAICD, FIPENZ	Non-executive Director since January 2013; Chairman of AGL Energy Limited (Director since 2006), Arrium Limited and Port of Brisbane Pty Limited; former Non-executive Director, Nuplex Limited; former Managing Director and CEO of CSR Limited (2007-10); Inaugural Chairman, Cement Australia Pty Limited; former Member, UNSW Australia School of Business Advisory Council.	Chairman of the Corporate Governance Committee
Dr L.J. O'Brien MBBS (Hons) MBA, MHR&C, FRACMA	Executive Director since 2011; Director, Community Council for Australia Limited and Australian Schools Plus Limited; Non-executive Director, BUPA Australia and New Zealand Board; a Medical Practitioner registered in New South Wales; former CEO of the Skin and Cancer Foundation of Australia; founding member of Lou's Place, a drop in centre providing respite and support for women in need; over 25 years experience in health care, community services, bio-medical and information technology.	Chief Executive Officer; Member of the Corporate Governance Committee

The Company Secretary is B.M. Watkinson (BA, CPA, FGIA, FCIS). Mr Watkinson was appointed to the position of Company Secretary in 1995. Before assuming this role he held a number of other positions within the Company for a further period of 19 years.

8. Directors' Meetings

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director are:

Director	Board of Directors		Corporate Governance		Finance and Audit		People and Culture	
	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended	Number Held	Number Attended
A.K Abey	8	6			3	3		
C.N. Bartlett	8	5					2	2
C. Cawsey	8	7						
J.A. Harmer	8	5						
M.G. Johnson	8	5			3	2		
C.F. McLoughlin	8	7					2	2
J.C.R. Maycock	8	6	1	1				
J.M. Millar	8	8	1	1	3	2	2	2
L.J. O'Brien	8	8	1	1				
P.X. Tobin	8	7	1	1				
K.W. Wiltshire	4	3						

9. Events Subsequent to Balance Date

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years; or

(b) the results of those operations in future financial years; or

(c) the Company's state of affairs in future financial years.

10. Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year not otherwise disclosed in the financial report.

11. Likely Developments

In the opinion of the directors there are no likely changes in the operations of the Company which will adversely affect the results of the Company in subsequent financial years.

12. Environmental Regulation

The Company has complied with all relevant environmental requirements.

13. Indemnification and Insurance of Directors and Officers

The Company has a Directors' and Officers' Liability policy covering each of the directors and certain executive officers for liabilities incurred in the performance of their duties and as specifically allowed under the *Corporations Act 2001* . The premiums in respect of the policy are payable by the Company. The terms of the policy specifically prohibit the disclosure of any other details relating to the policy and therefore the directors do not intend disclosing further particulars relating thereto.

14. Auditors' Independence Declaration

A copy of the auditors' independence declaration is set out on Page 4.

15. Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

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

For and on behalf of the Board

Sydney
28 September 2015

J.M. Millar
Director

Building a better working world

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Auditor's Independence Declaration to the Directors of The Smith Family

In relation to our audit of the financial report of The Smith Family for the financial year ended 30 2015, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities a for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Loretta M Di Mento
Partner
28 September 2015

THE SMITH FAMILY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Continuing Operations			
Revenue			
Revenue from sale of commercial goods	2(e)(ii)	17,357	19,091
Fundraising	2(e)(i)	57,089	52,232
Government funding	2(e)(iv)	22,589	26,138
Interest revenue	2(e)(iii)	730	790
	5	97,765	98,251
Other Income			
Other income	6	1,440	2,598
Net gain / (loss) on disposal of fixed assets	6	7,069	(2)
		8,509	2,596
Total		106,274	100,847
Expenses			
Community Programs	2(f)	61,761	61,896
Commercial expenses		14,932	15,796
Fundraising		16,585	13,032
Promotion		1,806	2,131
VIEW Clubs		4,555	4,149
Shared Services		1,725	1,681
Total Expenses		101,364	98,685
Surplus before income tax		4,910	2,162
Income tax expense	2(h)	-	-
Net surplus for the year		4,910	2,162
Other Comprehensive Income			
Net fair value gain	19(b)	117	842
Income tax on items of other comprehensive income for the period		-	-
Total Comprehensive Income		5,027	3,004

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

THE SMITH FAMILY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Assets			
Current assets			
Cash and cash equivalents	2(k), 8	15,676	11,974
Other financial assets	2(k), 8	15,819	15,259
Receivables	2(l), 9	579	1,338
Inventories	2(m), 10	1,514	1,190
Total current assets		33,588	29,761
Non-current assets			
Available-for-sale financial assets	11	12,991	9,133
Property, plant and equipment	2(o), 12	3,427	5,107
Intangible assets	2(p), 13	1,779	1,884
Total non-current assets		18,197	16,124
Total assets		51,785	45,885
Liabilities			
Current liabilities			
Payables	2(q), 14	7,212	6,066
Interest bearing liabilities	2(r), 15	6	8
Provisions	2(s, t), 16	3,581	3,447
Other	2(e)(iv), 17	10,609	11,254
Total current liabilities		21,408	20,775
Non-current liabilities			
Provisions	2(s, t), 18	1,495	1,255
Total non-current liabilities		1,495	1,255
Total liabilities		22,903	22,030
Net assets		28,882	23,855
Accumulated funds			
Retained earnings	19(a)	28,533	23,623
Investment revaluation reserve	19(b)	349	232
Total accumulated funds		28,882	23,855

The above statement of financial position should be read in conjunction with the accompanying notes.

THE SMITH FAMILY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings $'000	Investment Revaluation Reserve $'000	Total Accumulated Funds $'000
Year ended 30 June 2014			
As at 1 July 2013	21,461	(610)	20,851
Surplus for the year	2,162	-	2,162
Other comprehensive income	-	842	842
Total comprehensive income	2,162	842	3,004
As at 30 June 2014	23,623	232	23,855
Year ended 30 June 2015			
As at 1 July 2014	23,623	232	23,855
Surplus for the year	4,910	-	4,910
Other comprehensive income	-	117	117
Total comprehensive income	4,910	117	5,027
As at 30 June 2015	28,533	349	28,882

The above statement of changes in equity should be read in conjunction with the accompanying notes.

THE SMITH FAMILY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from fundraising and government funding		79,708	78,370
Receipts from sale of commercial goods		19,098	21,533
Payments to suppliers, employees and for client assistance		(99,581)	(100,055)
Net cash inflow / (outflow) from operating activities	24	(775)	(152)
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(1,046)	(763)
Proceeds from sale of property, plant and equipment		8,670	-
Proceeds from available-for-sale financial assets		2	3,666
Interest received		669	746
Purchase of available-for-sale financial assets		(3,799)	(912)
Dividends received		543	463
Net cash inflow / (outflow) from investing activities		5,039	3,200
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash inflow / (outflow) from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		4,264	3,048
Cash and cash equivalents at the beginning of the financial year		27,225	24,177
Cash and cash equivalents at the end of the financial year	8(a)	31,489	27,225

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Corporate information

The financial report of The Smith Family (the Company) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 28 September 2015.

The Smith Family is a company limited by guarantee, incorporated and domiciled in Australia.

The nature of the operations and principal activities of The Smith Family are described in the Directors' Report.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Boardand the Australian Charities and Not-for-Profits Commission. The financial report has also been prepared on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated, and in accordance with Class Order 98/0100.

(b) Statement of compliance

The general purpose financial report complies with Australian Accounting Standards. Some Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements, including Australian Accounting Standards AASB 102 Inventories, AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets and AASB 1004 Contributions.

(c) New accounting standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The accounting polices adopted are consistent with those of the previous financial year.

(ii) New standards and interpretations not yet adopted

Certain Australian Accounting Standards and AASB interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2015. The directors have not early-adopted any of these new or amended standards or interpretations.

AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets. The requirements improve and simplify the approach for classification and measurement for financial assets compared with the requirements of AASB 139. AASB 9 will become mandatory for the Company's 30 June 2016 financial statements, and is not expected to have a material impact on the financial statements.

There are no new interpretations which are expected to have any impact on the Company’s financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to The Smith Family and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Fundraising revenue

Fundraising revenue (with the exception of the value of donated goods and services and revenue from Government tied to future program expenditure) and revenue from VIEW Clubs is recognised generally when the cash is received. Bequests of shares and other securities are brought to account at their values on the date of receipt. Accruals are made for donations which are received before but banked after the year-end.

(ii) Sales revenue

Revenue from sales of commercial goods represents revenue earned from the sale of commercial products, net of returns, trade allowances and duties and taxes paid, arising from the recycling and sale of textiles and the retail sale of secondhand clothing, together with sales of general merchandise through point of sale and online outlets.

A sale is recorded when goods have been dispatched to a customer pursuant to a sales order and the associated risks have been passed to the carrier or customer.

(iii) Interest Revenue

Where the interest rate is fixed, revenue is recognised as interest accrues. Where the interest rate is variable and the amount of interest cannot reliably be estimated, revenue is recognised as interest is received.

(iv) Government Grants

Government grants are recognised as revenue where there is reasonable assurance that the grant will be received and all attached conditions complied with:
• the entity obtains control of the contribution or the right to receive the contribution;
• it is probable that the economic benefits comprising the contribution will flow to the entity; and
• the amount of the contribution can be measured reliably

Management judgement is required in determining when control of the funding received is obtained by the Company through compliance with the attached conditions and by meeting the envisaged obligation to spend the funding on specific social and community projects.

(v) Dividends

Dividends on available-for-sale listed shares are recognised when the Company's right to receive the payment is established.

2 Summary of significant accounting policies (continued)

(f) Community Programs Expenditure

Community Programs expenditure includes direct scholarship and other assistance to students and their families, the cost of personal support attributable to the programs, payments to community partners for contracted services, the cost of research and evaluation, and an allocation of overhead costs by way of an administration charge. Total Community Programs expenditure for the year was $61,761,000 (2014: $61,896,000).

(g) Repairs and Maintenance

Certain plant of the Company is required to be overhauled on a regular basis. This is managed as part of an ongoing cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a key component of an asset, in which case the costs are capitalised and depreciated in accordance with note 2(o). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(h) Income tax

The Smith Family is a public benevolent institution and as such is exempt from the payment of income tax.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 22). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(k) Cash and cash equivalents, other financial assets

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

Other financial assets in the statement of financial position comprise short-term deposits with a maturity of more than three months.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(l) Trade receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(m) Inventories

Inventories are valued at the lower of cost and current replacement cost.

Raw materials and stores, work in progress and finished goods

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of the "FIFO" (first in first out) method of stock costing. Replacement cost is the estimated cost of replacement in the ordinary course of business.

Donated inventories held for distribution

Donated goods held for distribution are stated at their estimated current replacement cost at the date of acquisition, adjusted when applicable for any loss of service potential.

(n) Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the income statement.

2 Summary of significant accounting policies (continued)

(n) Investments and other financial assets (continued)

Initial recognition and measurement

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired. Loans and receivables are included in receivables in the statement of financial position (note 9).

(iii) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are those that are neither classified as held for trading nor designated at fair value through profit or loss. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For unlisted unit trusts, fair value is determined by reference to the prevailing redemption prices at the reporting date.

Recognition and derecognition

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or when the entity transfers substantially all the risks and rewards of the financial assets.

Impairment

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(o) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Except as noted below, depreciation on other assets is calculated using the straight line method to allocate their cost or revalue amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings	33.33 years
- Manufacturing plant and equipment	10 - 20 years
- Vehicles	5 years
- Furniture, fittings and other equipment	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(j)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in the statement of comprehensive income.

(p) Intangible assets

The Company has purchased computer software, and developed certain computer software to enhance its business using both internal and external resources. The costs of these purchases and developments are capitalised and amortised over the useful life of the software, which is normally taken to be 3 to 5 years.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities which are not incremental costs related to the draw-down of the facility are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2 Summary of significant accounting policies (continued)

(s) Provisions

Provisions for legal claims and service warranties are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Except as otherwise noted, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. Subsequent adjustments to the provisions due to the passage of time are recognised as interest expenses.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(t) Employee benefits

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flow.

3 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by a central finance department (Finance) under policies approved by the Board of Directors. Finance identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

	Note	2015 $'000	2014 $'000
The Company holds the following financial instruments:			
Financial Assets			
Cash and cash equivalents	8	15,676	11,974
Other financial assets	8	15,819	15,259
Trade and other receivables	9	579	1,338
Available-for-sale financial assets	11	12,991	9,133
		45,065	37,704
Financial liabilities			
Trade and other payables	14	7,212	6,066
Deferred funding	17	10,609	11,254
		17,821	17,320

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Company operates internationally and is exposed periodically to foreign exchange risk arising from currency exposures to the US dollar.

(ii) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk.

To manage the Company's price risk arising from investments in equity securities, Finance diversifies the Company's portfolio in accordance with limits set by the Company's Investment Policy and Mandate. The majority of the Company's equity investments are readily saleable.

At balance date the Company had $12,991,000 (2014: $9,133,000) in available-for-sale financial assets. Equity would further increase / decrease as a result of gains / losses on equity securities and managed funds classified as available-for-sale. Such gains and losses would not be material.

(iii) Cash flow interest rate risk

Borrowings at fixed rates expose the Company to fair value interest rate risk. The Company's finance costs and operating cash flows are not materially exposed to changes in market interest rates. As at the reporting date the Company had no borrowings.

3 Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions only independently rated parties with a minimum Standard and Poor's rating of 'A-' are accepted. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Individual risk limits are set based on internal ratings and these are regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above. Under certain circumstances the Company may retain title over goods sold until full payment is received. The Company may obtain security in the form of letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The Company may also take trade finance insurance cover for transactions in certain export markets.

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding from its fundraising and commercial activities and its operating expenditure.

(d) Derivative financial liabilities

The Company uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Year ended 30 June 2015			Total	Year ended 30 June 2014			Total
	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)		Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets								
Investments								
Listed investments	9,696	-	-	9,696	6,029	-	-	6,029
Unlisted investments	-	3,295	-	3,295	-	3,104	-	3,104
	9,696	3,295	-	12,991	6,029	3,104	-	9,133

Quoted market price presents fair value based on quoted prices in active markets as at the balance date, without any deduction for transaction costs.

4 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Estimates and judgements are continually evaluated in relation to assets, liabilities, contingent liabilities, revenue and expenses, and are based on historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. The estimates and judgements form the basis of the carrying values of assets and liabilities which are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions. There are no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Significant accounting judgements

Impairment of non-financial assets other than goodwill

The Company assesses at each balance date whether there is objective evidence that any significant non-financial asset or group of non-financial assets is impaired by evaluating conditions specific to the Company and to the particular asset or group of assets which may lead to impairment. These include product and manufacturing performance, technology, the economic environment and future product expectations. Certain manufacturing assets have been tested for impairment and management considers that there are no impairment triggers which might require the value of those assets to be determined.

Impairment of available for sale assets

The Company holds a number of available-for-sale financial assets and follows the requirements of AASB 139: Financial Instruments: Recognition and Measurement in determining when an available-for-sale asset is impaired. In determining the amount of impairment, judgements are made in identifying financial assets whose decline in fair value below cost is considered significant and prolonged. A significant decline is based on the historical volatility of the share price. A prolonged decline is based on the length of time over which the share price has been depressed below cost. For the year ended 30 June 2015 the Company has determined that there are no available-for-sale assets considered impaired (2014: no impairment loss).

(ii) Significant accounting estimates and assumptions

Valuation of investments

The Company has decided to classify investments in listed and unlisted securities as 'available-for-sale' investments and movements in fair value are recognised directly in equity. The fair value of listed shares has been determined by reference to published price quotations in an active market. The fair value of unlisted securities not traded in an active market is determined by reference to the redemption price of the relevant managed fund.

Make good provisions

A provision has been made for the present value of anticipated costs of future restoration of leased premises. Principally these estimated costs relate to the removal of office fitouts and repair and redecoration of office premises. The provision recognised for each site is reviewed periodically and changes are recognised through the statement of financial position by adjusting both the expense and provision. The related carrying amounts are disclosed in Note 16 and Note 18.

5 Revenue

	Note	2015 $'000	2014 $'000
Revenue from sale of commercial goods	2(e)(ii)	17,357	19,091
Fundraising	2(e)(i)		
Individuals - donations and sponsorships		34,252	30,870
Bequests		4,813	3,366
Organisations		9,963	10,353
Communities		1,770	2,145
Value of donated goods		708	250
VIEW Clubs		5,583	5,248
Government funding	2(e)(iv)	22,589	26,138
Interest received	2(e)(iii)	730	790
Total revenue		97,765	98,251

6 Other Income

	Note	2015 $'000	2014 $'000
Rental income, dividends and third party contributions to programs		1,511	1,369
Debt recovery*		-	1,349
Realised gain/(loss) from share investments		(71)	(120)
Net gain / (loss) on disposal of property, plant and equipment		7,069	(2)
Total other income		8,509	2,596

* The debt recovery in 2014 related to the debt from the sale of the Company's nonwoven business, the impairment of which had been fully provided for in prior years.

7 Expenses

Surplus before income tax includes the following specific expenses:

	Note	2015 $'000	2014 $'000
Depreciation			
Buildings		247	338
Plant and equipment		244	303
Total depreciation		491	641
Amortisation			
Leasehold improvements and make-good provision		96	88
Intangibles		643	515
Total amortisation		739	603
Rental expense relating to operating leases			
Minimum lease payments		3,589	3,637
Total rental expense relating to operating leases		3,589	3,637
Employee expenses			
Gross employee expenses		40,127	39,142
Total employee expenses recognised in the surplus before income tax for the year		40,127	39,142

		Note	2015 $'000	2014 $'000
8	**Current assets - Cash and cash equivalents**			
	Cash at bank and in hand	8 (b)	10,585	6,937
	Deposits at call	8 (c)	5,091	5,037
	Term deposits	8 (c)	15,819	15,259
		2(k)	31,495	27,233

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Note	2015 $'000	2014 $'000
Balances as above		31,495	27,233
Bank overdrafts		(6)	(8)
Balances per statement of cash flows	2(k)	31,489	27,225

(b) Cash at bank and on hand

Cash at bank is held at prevailing bank interest rates. Cash on hand is non interest bearing.

(c) Deposits at call and term deposits

The deposits are bearing fixed and floating interest rates between 2.95% and 4.00% (2014: 3.35% and 4.00%). Fixed term deposits have an average maturity of 308 days.

(d) Interest rate exposure

The Company's exposure to interest rate risk is discussed in Note 3.

9 Current assets - Receivables

	Note	2015 $'000	2014 $'000
Trade debtors		405	274
Provision for impairment		(4)	(4)
		401	270
Other Debtors	9(c)	459	559
GST Receivable/(payable)	9(d)	(695)	25
		(236)	584
Interest receivable		221	177
Prepayments		193	307
	2(l)	579	1,338

(a) Impaired trade debtors

As at 30 June 2015 current trade receivables with a nominal value of $nil (2014: $nil) were impaired. The amount of the provision was $4,453 (2014: $4,453).

The Company had no material losses in respect of impaired trade debtors during the year ended 30 June 2015.

(b) Past due but not impaired

As of 30 June 2015, trade debtors with a nominal value of $nil (2014: $nil) were past due but not impaired.

(c) Other debtors

These amounts include transactions relating to donations received but not receipted by year-end.

(d) GST receivable/(payable)

These amounts relate to the GST receivable/(payable) at the balance date. The amount is a net payable at 30 June 2015 due to the GST payable on the one-off sale of the Company's premises in Collingwood, Victoria in June 2015.

10 Current assets - Inventories

	Note	2015 $'000	2014 $'000
Raw materials and stores - at cost		106	169
Finished goods			
at cost		946	660
Donated inventories held for distribution at replacement cost		462	361
	2(m)	1,514	1,190

Inventory expense

No adjustment of cost to replacement cost was recognised as an expense during the year ended 30 June 2015.

	Note	2015 $'000	2014 $'000

11 Non-current assets - Available-for-sale financial assets

	Note	2015 $'000	2014 $'000
Equity securities - listed		9,696	6,029
Unlisted securities in investment fund		3,295	3,104
	3(d)	12,991	9,133

Impairment and risk exposure

None of the financial assets are impaired.

All available-for-sale financial assets are denominated in Australian currency. An analysis of the sensitivity of these assets to price and interest rate risk is provided in Note 3.

12 Non-current assets - Property, plant and equipment

	Lease Make Good $'000	Work in progress $'000	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Leasehold improve-ments $'000	Total $'000
At 1 July 2013							
Cost	425	27	336	11,363	6,260	731	19,142
Accumulated depreciation	(337)	-	-	(6,864)	(5,690)	(650)	(13,541)
Net carrying amount	88	27	336	4,499	570	81	5,601
Year ended 30 June 2014							
Opening net book amount	88	27	336	4,499	570	81	5,601
Additions	-	44	-	-	206	60	310
Disposals	-	-	-	-	(1)	(1)	(2)
Transfers	-	(57)	-	-	(16)	-	(73)
Depreciation charge	(41)	-	-	(338)	(303)	(47)	(729)
Closing net carrying amount	47	14	336	4,161	456	93	5,107
At 30 June 2014							
Cost	425	14	336	11,363	6,257	571	18,966
Accumulated depreciation	(378)	-	-	(7,202)	(5,801)	(478)	(13,859)
Net carrying amount	47	14	336	4,161	456	93	5,107
Year ended 30 June 2015							
Opening net book amount	47	14	336	4,161	456	93	5,107
Additions	-	88	-	-	231	189	508
Disposals	-	-	-	(1,594)	(7)	-	(1,601)
Transfers	-	(53)	-	-	53	-	-
Depreciation charge	(41)	-	-	(247)	(244)	(55)	(587)
Closing net carrying amount	6	49	336	2,320	489	227	3,427
At 30 June 2015							
Cost	425	49	336	8,462	6,124	760	16,156
Accumulated depreciation	(419)	-	-	(6,142)	(5,635)	(533)	(12,729)
Net carrying amount	6	49	336	2,320	489	227	3,427

(a) Valuations of land and buildings

Land and buildings are valued at cost.

(b) Non-current assets pledged as security

Information on non-current assets pledged as security by the Company is provided in Note 15.

13 Non-current assets - Intangible assets

	$'000
Software purchase and development costs	
At 1 July 2013	
Cost	2,924
Accumulated depreciation	(1,051)
Net carrying amount	1,873
Year ended 30 June 2014	
Opening net book amount	1,873
Additions	526
Depreciation charge	(515)
Closing net carrying amount	1,884
At 30 June 2014	
Cost	3,450
Accumulated depreciation	(1,566)
Net carrying amount	1,884
Year ended 30 June 2015	
Opening net book amount	1,884
Additions	538
Depreciation charge	(643)
Transfers from work in progress	-
Closing net carrying amount	1,779
At 30 June 2015	
Cost	3,988
Accumulated depreciation	(2,209)
Net carrying amount	1,779

14 Current liabilities - Payables

	Note	2015 $'000	2014 $'000
Trade creditors		1,176	542
Other creditors		6,036	5,524
	2(q)	7,212	6,066

15 Current liabilities - Interest bearing liabilities

(a) Security

The bank overdraft facilities are secured by a first mortgage over certain of the Company's freehold land and buildings.

The carrying value of property pledged as security was $1,787,021 (2014: $1,981,399).

(b) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

Credit standby arrangements

	2015 $'000	2014 $'000
Total facilities		
Bank overdrafts	550	550
	550	550
Used at balance date		
Bank overdrafts	6	8
	6	8
Unused at balance date		
Bank overdrafts	544	542
	544	542

The bank overdraft facilities may be drawn at any time.

16 Current liabilities - Provisions

	Note	2015 $'000	2014 $'000
Employee benefits	2(s, t)	3,453	3,316
Make-good provision		128	131
		3,581	3,447

(a) Make-good provision

The Company has entered into leases of property, the terms of which include restoration requirements at the end of the lease periods. The costs of restoration have been estimated by management and to the extent that they relate to leases which expire in the next financial year the costs are recognised as current liabilities.

	Note	2015 $'000	2014 $'000

16 Current liabilities - Provisions (continued)

(b) Movements in provisions

Movements in each class of provision during the financial year other than employee benefits are set out below:

Make-good provision

	Note	2015 $'000	2014 $'000
Carrying amount at the start of the year		131	204
Addition to/(reduction in) provisions recognised		(3)	(73)
Carrying amount at the end of the year		128	131

(c) Amounts not expected to be settled within the next 12 months

The current provisions for annual and long service leave include all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the Company does not have a right to defer settlement.

Under present Company policy it is a requirement that individual annual leave balances remain at or below one year's accrued entitlement. As a result, the annual leave provision is treated as current. However, based on past experience the Company does not expect all employees to take the full amount accrued for long service leave within the next 12 months. The following amounts reflect long service leave which is not expected to be taken or paid within the next 12 months.

	Note	2015 $'000	2014 $'000
Long service leave obligation expected to be settled after 12 months		922	827

17 Current liabilities - Other

	Note	2015 $'000	2014 $'000
Unexpended funding has been carried forward as follows:			
Current (unsecured)			
Program funding received in advance		1,343	352
Deferred government funding		9,266	10,902
	2(e)(iv)	10,609	11,254

18 Non-current liabilities - Provisions

	Note	2015 $'000	2014 $'000
Employee benefits	2(s, t)	1,038	902
Make-good provision		457	353
		1,495	1,255

(a) Make-good provision

The Company has entered into leases of property, the terms of which include restoration requirements at the end of the lease periods. The costs of restoration have been estimated by management and to the extent that they relate to leases which expire after the next financial year the costs are recognised as non-current liabilities.

(b) Movements in provisions

Movements in each class of provision during the financial year other than employee benefits are set out below:

Make-good provision

	Note	2015 $'000	2014 $'000
Carrying amount at the start of the year		353	249
Additional/(Reduced) provisions recognised		104	104
Provisions used		-	-
Carrying amount at the end of the year		457	353

		Note	2015 $'000	2014 $'000

19 Reserves and retained earnings

(a) Movements in retained earnings were as follows:

	Note	2015 $'000	2014 $'000
Balance at the beginning of the year		23,623	21,461
(Deficit)/Surplus for the year		4,910	2,162
Balance at the end of the year		28,533	23,623

(b) Movements in reserves were as follows:

	Note	2015 $'000	2014 $'000
Balance at the beginning of the year		232	(610)
Available-for-sale investments revaluation reserve		117	842
Balance at the end of the year		349	232

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, and its related practices:

Assurance services

Audit services

Ernst & Young Australia

	Note	2015 $'000	2014 $'000
Audit		95,000	95,000
Audit of regulatory returns		11,000	30,000
Total remuneration for audit services		106,000	125,000
Other services		-	-
Total remuneration for other assurance services		-	-
Total remuneration for assurance services		106,000	125,000

21 Contingent liabilities

Contingent liabilities

The Company had no contingent liabilities at 30 June 2015 and at the date of this report.

Guarantees

The Company had provided the following guarantees at 30 June 2015:
- bank guarantees to a total amount of $615,061 (2014: $451,825)

22 Commitments

(a) Lease commitments: Company as lessee

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

	Note	2015 $'000	2014 $'000
Within one year		2,817	2,625
Later than one year but not later than five years		4,168	5,196
Later than five years		-	-
		6,985	7,821
Representing:			
Non-cancellable operating leases		6,985	7,821
	2(i)	6,985	7,821

The Company leases various offices and retail outlets under non-cancellable operating leases expiring within one to nine years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Company also leases various plant and machinery under operating leases.

(b) Property, plant and equipment commitments

There were no commitments in relation to capital expenditure contracted for the year ended 30 June 2015.

23 Related party transactions

(a) Directors

The names of persons who were directors of the Company at any time during the financial year and up until the date of this report are as follows: A.K. Abey, C.N. Bartlett, C. Cawsey, J.A. Harmer, M.G. Johnson, C.F. McLoughlin, J.C.R. Maycock, J.M. Millar, L.J. O'Brien, P.X. Tobin, and K.W. Wiltshire. All of these persons were also directors throughout the year ended 30 June 2014.

(b) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2015 and 2014 is set out below. The key management personnel are:

- all the directors of the Company (none of whom is paid with the exception of L.J. O'Brien, who holds office as a director in her role as Chief Executive Officer), and
- eight other executives with the greatest authority for the strategic direction and management of the Company.

	Short term benefits	Post employ-ment benefits	Other long term benefits	Termin-ation benefits	Total
	$	$	$	$	$
2015	1,773,316	-	-	-	1,773,316
2014	1,745,729	-	-	-	1,745,729

24 Reconciliation of surplus after income tax to net cash inflow/(outflow) from operating activities

	2015 $'000	2014 $'000
Surplus for the year	4,910	2,162
Depreciation and amortisation	1,231	1,244
Gain on disposal of property, plant and equipment	(7,069)	-
Realised (gain)/loss from share investments	71	120
Interest income	(730)	(790)
Dividends reinvested	(543)	(463)
(Increase)/decrease in receivables	803	187
(increase)/decrease in inventories	(324)	258
Increase/(decrease) in trade creditors	1,146	(475)
Increase/(decrease) in other operating liabilities	(643)	(2,637)
Increase/(decrease) in other provisions	373	242
Net cash inflow/(outflow) from operating activities	(775)	(152)

25 Events after balance date

There have been no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

26 Income and expenditure - Fundraising Appeals

This disclosure is made under the NSW Charitable Fundraising Act (1991).

	2015 $'000	2014 $'000
(i) Details of aggregate gross income and total expenses of Fundraising Appeals		
Gross proceeds of Fundraising Appeals (as defined in the Act)	46,693	43,619
Costs of Fundraising Appeals	(16,585)	(13,032)
Net surplus obtained from Fundraising Appeals	30,108	30,587
(ii) Statement showing how funds and goods received were applied to charitable purposes		
Net surplus obtained from Fundraising Appeals	30,108	30,587
This was applied to the charitable purposes in the following manner:		
Cash payments to clients	18,952	17,804
Personal support to clients	39,361	41,316
Christmas toys, books and other goods distributed to clients	584	206
Community Programs research, development and administration	2,864	2,570
	61,761	61,896

Total expenditure on Community Programs was $61,761,000 (2014: $61,896,000). The difference between this amount and the surplus available from Fundraising Appeals (as defined in the Act) of $30,108,000 was $31,653,000. This amount was provided from other sources of operating revenue included in the statement of comprehensive income and Note 5 including bequests, VIEW Clubs, government funding, interest and the proceeds of commercial activities.

(iii) Fundraising Appeals conducted during the financial period

	2015 $'000	2014 $'000
Donations from Individuals	34,252	30,871
Corporate, Trust and University donations	9,963	10,353
Events	1,770	2,145
Donated goods and services	708	250
	46,693	43,619

(iv) Comparisons of certain monetary figures and percentages

The following figures and percentages exclude sales revenue and expenditure on commercial activities.

	2015 $'000	2014 $'000	2015 %	2014 %
Total cost of fundraising appeals /	16,585	13,032	35.5%	29.9%
Gross income from fundraising appeals	46,693	43,619		
Net surplus from fundraising appeals /	30,108	30,587	64.5%	70.1%
Gross income from fundraising appeals	46,693	43,619		
Total cost of assistance to clients /	61,761	61,896	71.5%	74.7%
Total expenditure	86,432	82,889		
Total cost of assistance to clients /	61,761	61,896	69.5%	75.7%
Total income received	88,917	81,756		

THE SMITH FAMILY
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Smith Family, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and 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 2015 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013;*

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Sydney
28 September 2015

J.M. Millar
Director

THE SMITH FAMILY
DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT 1991

In accordance with a resolution of the directors of The Smith Family I state that:

- (i) the Statement of Comprehensive Income gives a true and fair view of the all income and expenditure of the organisation with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals;
- (iii) the financial report and associated records of the Company have been properly kept during the year ended 30 June 2015 in accordance with the provisions of the *Charitable Fundraising Act 1991,* the regulations under the Act and the conditions attached to organisation's authority; and
- (iv) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

On behalf of the Board

Sydney
28 September 2015

J.M. Millar
Director

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Independent auditor's report to the members of The Smith Family

Report on the financial report

We have audited the accompanying financial report of The Smith Family ("the company"), 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 directors' declaration.

Directors' responsibility 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, the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine are necessary to enable the preparation 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 judgment, 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 controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of The Smith family is in accordance with the *Corporations Act 2001* and 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 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

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Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of The Smith Family has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2015, in all material respects, in accordance with:

(iii) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;

(iv) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;

(v) the *WA Charitable Collections Act (1946)*; and

(vi) the *WA Charitable Collections Regulations (1947)*.

b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2015 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations

Ernst & Young

Ernst & Young

Di Mento

Loretta Di Mento
Partner
Sydney
28 September 2015

The Smith Family

everyone's family