

LEARNING LINKS

ABN 71 097 577 636

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

LEARNING LINKS

Annual Report
For the Financial Year ended 30 June 2015

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DIRECTORS' REPORT

The Directors present this report on Learning Links for the year ended 30 June 2015. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Directors report as follows.

Directors

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

Michele Adair
Martyn Berry
Jeanette Brooks
Rebecca Coates (Resigned 14 July 2014)
Sarah Donald (Appointed 17 April 2015)
Darryl Easton
Lorraine Graham (Resigned 31 March 2015)
Michael Touma (Appointed 20 April 2015)
Gregory Wallace
Rod Watson (Resigned 17 November 2014)

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

Principal Activity

The principal activity of the company during the financial year was:

To help children who have disabilities, learning difficulties, developmental delays and those at risk of not achieving learning or developmental milestones realise their individual potential.

Review of operations

The profit of the company amounted to \$47,014 (2013-14 loss of \$630,110).

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Dividends

The company operates on a not-for-profit basis and in accordance with the terms of its Constitution, no portion of its assets or income shall be distributed directly or indirectly to members of the company. As such no dividends were paid or declared since the start of the financial year and no recommendation for payment of dividends has been made.

Significant Changes in State of Affairs

During the financial year, Learning Links had disposed the long day care centre, Early Education and Care located at 201 Elizabeth Street Sydney, including all assets and liabilities. The disposal resulted in a gain of \$27,686. Further details to the disposal are disclosed in Note 20 the financial statements.

On 17 December 2014, Learning Links had disposed of a property located at 10 Railway Parade, Penshurst Sydney. Further details on the disposal are disclosed in Note 5 to the financial statements.

Subsequent Events

There has not been any matter or circumstances that have arisen since the end of the financial year which significantly affected or might significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

DIRECTORS' REPORT (CONT'D)

Future Developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Michele Adair	·	Secretary
Qualifications	·	Master Management, Master Public Advocacy & Action, GAICD
Experience	·	Senior Executive Health and Community Services
Martyn Berry	·	Director
Qualifications	·	Bachelor of Science with First Class Honours in Mathematical Statistics
Experience	·	Senior Executive . Financial Services
Jeanette Brooks	·	Chair
Qualifications	·	Bachelor of Business (Management and Information Systems), Company Directors Diploma (GAICD)
Experience	·	Senior Executive . Healthcare
Rebecca Coates	·	Treasurer (resigned 14 July 2014)
Qualifications	·	Bachelor of Commerce (Economics and Business Management), Post Graduate Diploma in Finance and Investment
Experience	·	Head of Finance / Financial Controller in banking
Sarah Donald	·	Director
Qualifications	·	Bachelor of Laws, Bachelor of Business, Grad Dip Legal Practice
Experience	·	Legal counsel
Darryl Easton	·	Director
Qualifications	·	Masters of Engineering Management and Masters of Business Administration
Experience	·	Engineering professional - telecommunications
Lorraine Graham	·	Director (Resigned 31 March 2015)
Qualifications	·	Master of Arts (Education), Phd, Diploma of Teaching, Grad Dip of Teaching (Exceptional Children)
Experience	·	Associate Professor of Special Education & Educational Psychology
Michael Touma	·	Director
Qualifications	·	Master of Commerce, MBA, CPA, GAICD
Experience	·	Senior Executive . B2B Distribution and FMCG

DIRECTORS' REPORT (CONT'D)

Information on Directors (cont'd)

Gregory Wallace	·	Director
Qualifications	·	Bachelor of Business (Business Management)
Experience	·	Senior executive . government and telecommunications
Rod Watson	—	Director (Did not stand for re-election 17th November 2014)
Qualifications	·	Bachelor of Arts (Behavioural Sciences) and Masters of Business Administration
Experience	·	Executive Search Director

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows.

	Number eligible to attend	Number attended
Michele Adair	11	10
Martyn Berry	11	9
Jeanette Brooks	11	9
Rebecca Coates	0	0
Sarah Donald	1	1
Darryl Easton	11	8
Lorraine Graham	8	5
Michael Touma	1	1
Gregory Wallace	11	11
Rod Watson	2	2

Indemnifying Officers or Auditor

Insurance premiums of \$14,812 were paid during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Objectives of the company

The company assists children who have assessed learning difficulties, disabilities or developmental delays and those who are at risk of not achieving developmental or learning milestones.

This assistance is provided to enable children to realise their individual potential and is supported by interventions that:

- are family-centred,
- are evidence and strength-based,
- use trans and multidisciplinary collaborations and
- build partnerships between all stakeholders in the company and throughout the wider community.

DIRECTORS' REPORT (CONT'D)

Assessment of Performance

The company assesses its performance using the following methodologies in order to ensure that the objectives of the company are being met:

- Monthly financial reporting and analysis,
- Accountability reporting to all major funding partners,
- Wide-ranging policies and procedures reviewed at least triennially,
- Regular client and staff surveys,
- Monthly monitoring of client numbers,
- Reporting and monitoring of key performance indicators, and
- Dashboard reporting on a monthly basis.

Member's guarantee

Learning Links is a company limited by guarantee without share capital. In the event of the company being wound up, each member undertakes to contribute an amount not exceeding any outstanding membership fees to cover costs, charges and expenses of winding up. As at 30 June 2015, there were 525 members of the company.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 7.

This directors report is signed in accordance with the resolution of directors.



Director
Jeanette Brooks - Chair



Director
Michele Adair – Secretary

13 October 2015

The Board of Directors
Learning Links
12-14 Pindari Rd
Peakhurst NSW 2210

13 October 2015

Dear Board Members

Re: Learning Links

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Learning Links.

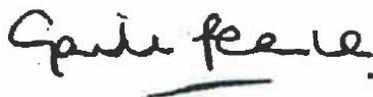
As lead audit partner for the audit of the financial statements of Learning Links for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit ; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Pearce
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Learning Links

We have audited the accompanying financial report of Learning Links (the entity), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 10 to 31. In addition, we have audited Learning Links compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2015.

Directors' Responsibility for the Financial Report and for Compliance with the Charitable Fundraising Act 1991

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 or Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (the ACNC Act) and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* and 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 whether the entity has complied with specific requirements of the *Charitable Fundraising Act 1991* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the company's compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's compliance with the *Charitable Fundraising Act 1991* and 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 company's internal control. 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.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in Learning Links compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis

Any projection of the evaluation of compliance with the *Charitable Fundraising Act 1991* to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

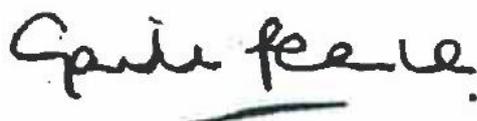
Opinion

In our opinion:

- (a) the financial report of Learning Links is in accordance with Division 60 of the ACNC Act, 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 6 Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*;
- (b) the financial report agrees to the underlying financial records of Learning Links, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2015; and
- (c) monies received by Learning Links, as a result of fundraising appeals conducted during the year ended 30 June 2015, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.



DELOITTE TOUCHE TOHMATSU



Gaile Pearce
Partner
Chartered Accountants
Sydney, 13 October 2015

RESPONSIBLE PERSONS

The responsible persons declare that:

- (a) in the responsible persons opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the responsible persons opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

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

On behalf of the responsible persons:



Director

Jeanette Brooks - Chair



Director

Michele Adair – Secretary

13 October 2015

DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT

I, Jeanette Brooks, Chair of Learning Links, declare that in my opinion:

- a. The financial statements give a true and fair view of all income and expenditure for Learning Links with respect to fundraising appeal activities for the year ended 30 June 2015;
- b. The statement of financial position gives a true and fair view of affairs for Learning Links with respect to fundraising appeal activities for the year ended 30 June 2015;
- c. The provisions of the *NSW Charitable Fundraising Act 1991* and Regulations under the Act and the conditions attached to the authority have been complied with during the year ended 30 June 2015:
and
- d. The internal controls exercised by Learning Links are appropriate and effective in accounting for all Income received and applied by Learning Links from any of its fundraising appeals.

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



Jeanette Brooks

Chair

13 October 2015

**STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
INCOME		
Fee Income for Services	2,056,238	4,092,810
Grants (Note 3)	4,884,114	4,950,741
Donations	19,506	25,777
Fundraising (Note 2 (r))	133,353	136,812
Bingo Income	530,266	463,143
Housie Income (Note 2(r), Note 11)	7,404,665	6,260,745
Membership Fees	17,270	14,746
Other Income	20,131	38,011
Total Income	15,065,543	15,982,785
EXPENDITURE		
Human Resource Costs for Services	6,597,032	6,946,028
Human Resource Cost for Housie & Bingo	848,595	901,379
Human Resource Costs for Early Education and Care	-	1,008,643
Housie and Bingo Other Costs	5,906,013	5,165,281
Early Education and Care Other Costs	-	698,402
Program Costs	353,788	248,801
Marketing costs	84,434	24,948
Administration & Office Costs	891,318	817,862
Finance Costs	111,289	75,182
IT Costs	322,372	290,476
Total Expenses (before impairment and discontinued operations)	15,114,841	16,177,002
Net Loss (before impairment and discontinued operations)	(49,298)	(194,217)
Impairment of goodwill	-	(435,893)
Net Loss (after impairment and before discontinued operations)	(49,298)	(630,110)
Discontinued operations		
Profit for the year from discontinued operations (Note 20.2)	96,312	-
Net profit/(loss) for the year	47,014	(630,110)
Other comprehensive income		
Asset revaluation reserve written off	(7,012)	-
Revaluation of property, plant and equipment	367,005	-
Total comprehensive profit/(loss)	407,007	(630,110)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	30 June 2015 \$	30 June 2014 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 14)	1,446,594	585,854
Trade & Other Receivables (Note 17)	406,287	521,450
Prepayments	26,163	36,552
Inventories	65,452	136,380
Other Current Assets	6,108	14,453
Total Current Assets	1,950,604	1,294,689
NON-CURRENT ASSETS		
Land & Buildings & Leasehold improvements (Note 4)	1,161,267	2,760,150
Furniture & Fittings (Note 4)	52,399	32,991
IT & Other Equipment (Note 4)	362,424	460,089
Motor Vehicles (Note 4)	17,774	31,783
Goodwill (Note 12)	-	197,074
Total Non-Current Assets	1,593,864	3,482,087
Total Assets	3,544,468	4,776,776
LIABILITIES		
CURRENT LIABILITIES		
Borrowings (Note 13)	2,571	1,161,419
Trade & Other Payables (Note 18)	815,823	1,058,212
Income Received in Advance	31,806	111,901
Grants & Funding in Advance	277,891	296,890
Provisions & Employee entitlements (Note 16)	247,147	494,095
Housie Prize Fund	64,367	41,435
Total Current Liabilities	1,439,605	3,163,952
NON CURRENT LIABILITIES		
Borrowings (Note 13)	-	21,725
Long Service Leave Entitlements (Note 16)	131,428	52,357
Total Non-Current Liabilities	131,428	74,082
Total Liabilities	1,571,033	3,238,034
Net Assets	1,973,435	1,538,742
EQUITY		
Reserves (Note 5)	705,000	762,674
Accumulated Surplus	1,268,435	776,068
Total Equity	1,973,435	1,538,742

The accompanying notes form part of these financial statements

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

	2015	2014
	\$	\$
Accumulated Surplus		
Opening Retained Surplus	776,068	1,406,178
Net profit/(loss) for year	47,014	(630,110)
Gain on disposal of business combination (Note 20.1)	27,686	-
Transfer from asset revaluation reserve	417,667	-
Accumulated Surplus at end of year	1,268,435	776,068
Reserves		
Opening Reserves	762,674	762,674
Transfer to retained earnings	(417,667)	-
Written off	(7,012)	-
Increase in reserve	367,005	-
Reserves at the end of the year	705,000	762,674
Total equity at year end	1,973,435	1,538,742

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2015**

	2015	2014
	\$	\$
Cash flow from operating activities		
Receipts from customers	16,051,612	15,872,411
Payments to suppliers & employees	(16,193,638)	(15,773,740)
Interest paid	(26,864)	(51,723)
Interest received	26,713	30,032
Net Cash (used in)/provided by operating activities (Note 14)	(142,177)	76,980
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	8,146	-
Proceeds from disposal of Peshurst property	1,267,005	-
Proceeds from disposal of Early Education and Care	908,339	-
Payment for property, plant & equipment	-	(94,245)
Net Cash provided/(used in) by investing activities	2,183,490	(94,245)
Cash flow from financing activities		
Repayment for Borrowings	(1,180,573)	(12,992)
Net Cash used in financing activities	(1,180,573)	(12,992)
Net increase/(decrease) in cash held	860,740	(30,257)
Cash and cash equivalents at beginning of the year	585,854	616,111
Cash and cash equivalents at the end of the year (Note 14)	1,446,594	585,854

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: REPORTING COMPANY

The financial report is a general purpose financial report which has been prepared in accordance with Division 60 of the Australian Charities and Not for Profits Commission Act 2012 and Australian Accounting Standards . Reduced Disclosure Requirements and complies with both other requirements of law and the Charitable Fundraising Act 1991 (NSW). Learning Links is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia.

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

12-14 Pindari Rd
Peakhurst NSW 2210

The company's principal activity during the year was to help children who have disabilities, learning difficulties, developmental delays and those at risk of not achieving learning or developmental milestones realise their individual potential.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRS) except for the specific requirements relating to not-for-profits entities contained in AASB116 *Property, plant and equipment*, AASB1004 *Contributions* and AASB8 *Operating Segments*.

The financial statements were authorised for issue by the directors on the 13th October 2015.

The following is a summary of the material accounting policies adopted by Learning Links in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs except for certain non-current assets that are measured at revalued amounts or fair values as explained in the accounting policies below. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The revised Standards and Interpretations adopted did not have an impact on the financial statements.

Accounting Policies

(a) Income Tax

The company received endorsement from the Australian Taxation Office as an income tax exempt charitable company effective from 1 January 2002. The company is exempt from income tax under Division 50 section 50-5 of the Income Tax Assessment Act 1997. It is also exempt from State payroll taxes.

Fringe Benefits Tax

From 2004-2005 FBT year, the grossed-up taxable value of exempt fringe benefits that a charity may provide to each employee is capped at \$30,000. Any amount above the \$30,000 cap will not be exempt and will be subject to normal FBT treatment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Inventories

Inventories of goods purchased for fundraising are valued at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and only include direct costs. Inventories on hand consist of Bingo prizes, Bingo and Housie tickets, raffle prizes, Christmas cards and Reading for Life kits.

(c) Property, Plant and Equipment

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

Property

Properties are measured on the fair value basis, with changes in the fair value recognised in Asset Revaluation Reserve in the period that they arise. It is a policy of Learning Links to have an independent valuation every three years, with annual appraisals being made by the Directors.

Plant and Equipment

Plant and equipment are measured on a cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amounts from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when the 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 income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets and capitalised lease assets are depreciated over their useful lives using the straight line or diminishing value method as considered appropriate. New assets are depreciated from the time the asset is held ready for use. Plant and equipment under lease are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are as follows.

Class of fixed assets	Depreciation rates	Depreciation basis
Improvements	40% or life of the asset	Diminishing Value & Straight Line
Office Furniture & Equipment	40%	Diminishing Value
Computer Equipment	40%	Diminishing Value
System Applications	10%	Straight Line
Motor Vehicles	40%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

(e) Financial Instruments

Recognition and Initial Measurements

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provisions are made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related costs. Other employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(i) Revenue

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the company is eligible to receive the contributions, the recognition of the grant as revenue will be deferred until those conditions are satisfied and control of the funds is obtained.

Donations and bequests are recognised as revenue when received.

Revenue from rendering of a service is recognised upon the delivery of the services to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets as it is received.

Other revenue is recognised when the right to receive the revenue has been established.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

(l) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Adoption of new and revised accounting standards**New accounting Standards and Interpretations**

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations have no change to the Company's accounting policies.

(n) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations has not yet been determined.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 Financial Instruments and the relevant amending standards	1 January 2018	30 June 2019
• AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	30 June 2018
• AASB 2014-3 Amendments to Australian Accounting Standards . Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	30 June 2017
• AASB 2014-4 Amendments to Australian Accounting Standards . Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	30 June 2017
• AASB 2014-6 Amendments to Australian Accounting Standards . Agriculture: Bearer Plants	1 January 2016	30 June 2017
• AASB 2014-9 Amendments to Australian Accounting Standards . Equity Method in Separate Financial Statements	1 January 2016	30 June 2017
• AASB 2014-10 Amendments to Australian Accounting Standards . Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	30 June 2017
• AASB 2015-1 Amendments to Australian Accounting Standards . Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	30 June 2017
• AASB 2015-2 Amendments to Australian Accounting Standards . Disclosure Initiative: Amendments to AASB 101	1 January 2016	30 June 2017
• AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 January 2015	30 June 2016
• AASB 2015-4 Amendments to Australian Accounting Standards . Financial Reporting Requirements for Australian Groups with a Foreign Parent	1 January 2015	30 June 2016
• AASB 2015-5 Amendments to Australian Accounting Standards . Investment Entities: Applying the Consolidation Exception	1 January 2016	30 June 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Critical accounting estimates and judgments

The directors' evaluations and judgments incorporated into the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates – impairment

The company assesses impairment at each reporting date by evaluating the conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(p) Accounts and Other Receivables

Accounts receivables which generally have 14-90 day terms, are recognised and carried at original invoice amount less an allowance for uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. The accounts receivable amount in the Statement of Financial Position is net of doubtful debts. Bad debts are written off when identified.

(q) Traders

As a form of fundraising, Learning Links has contracts with two traders. They are King Cotton Australia and Helping Hand Sweet Company. The income from these traders is included in Fundraising and Other Income in the Statement of Comprehensive Income.

(r) Fundraising activities

The company has an authority to fundraise under the NSW *Charitable Fundraising Act 1991*. The Authority number is CFN 13232 which expires on 15 February 2016. Additional notes and information have been provided in the financial report to assist the authority holder with its disclosure requirements. A detailed list of fundraising permits has not been provided in this report but is available upon request

All proceeds from fundraising activities were used in the costs of providing services to children who have difficulty learning and their families. Charity Housie financial information is contained in Note 11.

	\$	Surplus \$	2015 %	2014 %
Total cost of fundraising/ gross proceeds from fundraising	6,191,716/7,538,018	1,346,302	82%	86%
Net surplus from fundraising/ gross proceeds	1,346,302/7,538,018		18%	14%
Total cost of services/expenditure	9,714,000/15,905,716		61%	61%
Total cost of services/ income	9,714,000/15,952,730		61%	61%

Notes to Fundraising Activities Table:

Total Cost of Services of \$9,714,000 is comprised of Total Cost of Expenditure \$15,905,716 (noted below) less Total Cost of Fundraising \$6,191,716.

Total Cost of Expenditure of \$15,905,716 is comprised of \$15,114,841 (per Statement of Comprehensive Income) plus Discontinued Operations Total Cost (Note 20.2) of \$790,875.

Total Income of \$15,952,730 is comprised of \$15,065,543 (per Statement of Comprehensive Income) plus Discontinued Operations Total Income (Note 20.2) of \$887,187.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Fundraising activities (cont'd)

Fundraising

The following table comprises items from Charity Housie, Fundraising and Other Income in the Statement of Comprehensive Income. It covers arrangements with traders and small fundraising activities.

(i) Gross proceeds from fundraising

	2015	2014
	\$	\$
Trader . Recycled Clothing	100,064	124,868
Trader . Helping Hand Sweet Co	3,575	1,584
Other Fundraising	29,714	10,360
	<u>133,353</u>	<u>136,812</u>
Charity Housie (Note 11)	7,404,665	6,260,745
	<u>7,538,018</u>	<u>6,397,557</u>

(ii) Total cost of fundraising

Trader . Recycled Clothing	-	-
Trader . Helping Hand Sweet Co	-	-
Other Fundraising	-	-
	<u>6,191,716</u>	<u>5,438,599</u>
Charity Housie (Note 11)	6,191,716	5,438,599
	<u>6,191,716</u>	<u>5,438,599</u>

Net surplus from fundraising

<u>1,346,302</u>	<u>958,958</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: GRANTS AND CONTRACTS

Grants and contracts are received by Learning Links from government and non-government sources.

Funding Body	2015	2014
	\$	\$
Department of Family & Community Services – Ageing, Disability and Home Care	3,189,784	3,167,011
Brotherhood of St Laurence	344,461	307,205
Smith Family	148,522	201,734
NSW Government Department of Education & Communities	384,328	436,413
SDN Scan South East Region	49,515	103,359
Parenting Research Centre	170,966	198,588
Community Service Grants Program (EIPP)	103,354	100,574
Department of Prime Minister & Cabinet	42,224	46,488
Non-government sources	450,960	389,369
Total Funding Revenue	4,884,114	4,950,741

NOTE 4: PROPERTY, PLANT & EQUIPMENT

	2015	2014
	\$	\$
Land & Buildings & Leasehold improvements at:		
- Land & Building (Peakhurst) – at fair value	1,100,000	1,100,000
- Land & Building (Penshurst) – at fair value	-	900,000
- Building & Leasehold Improvements at cost	265,366	1,148,789
Less accumulated depreciation	(204,099)	(388,639)
	<u>1,161,267</u>	<u>2,760,150</u>
Office furniture & fittings - at cost	144,544	320,119
Less accumulated depreciation	(92,145)	(287,128)
	<u>52,399</u>	<u>32,991</u>
Computer & office equipment - at cost	1,135,265	1,153,465
Less accumulated depreciation	(772,841)	(693,376)
	<u>362,424</u>	<u>460,089</u>
Motor vehicles - at cost	82,897	125,381
Less accumulated depreciation	(65,123)	(93,598)
	<u>17,774</u>	<u>31,783</u>
Total Property, Plant & Equipment	<u>1,593,864</u>	<u>3,285,013</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5: RESERVES

	2015 \$	2014 \$
Asset Revaluation Reserve	872,667	762,674
Movements during the year:		
Opening Balance	762,674	762,674
Transfer to retained earnings	(417,667)	-
Written off	(7,012)	-
Revaluation of property, plant and equipment	367,005	-
Closing Balance	705,000	762,674

On 17 December 2014, the Peshurst property was sold for \$1,267,005. The proceeds from the sale were used to discharge the following:

- Bank loan secured by Peshurst property
- Bank loan secured by Peakhurst property
- Bank overdraft secured by Peakhurst property

As part of the fair value accounting, the Peshurst property was revalued to reflect the sale price achieved. An amount of \$367,005 was taken to the reserves to reflect the increase in fair value.

NOTE 6: REMUNERATION AND RETIREMENT BENEFITS

No income was paid or is payable to the Directors of the company.

NOTE 7: MEMBERS' GUARANTEE

Learning Links is a company limited by guarantee without share capital. In the event of the company being wound up, each member undertakes to contribute an amount not exceeding any outstanding membership fees to cover costs, charges and expenses of winding up. As at 30 June 2015, there were 525 members of the company.

NOTE 8: RELATED PARTY TRANSACTIONS

Learning Links was incorporated as a company limited by guarantee on 23 July 2001 and commenced operation on 1 January 2002. All assets, liabilities and reserves were transferred from the Association for Children with Learning Disabilities (ACLD) Inc trading as Learning Links.

Members are generally also clients of Learning Links. Clients who become members pay a membership fee of \$20 which also entitles the member to a 10% discount on services provided by learning Links.

During the year recruitment services to the value of \$10,000 were provided at arm's length to Learning Links by a deJager Executive Search.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: FINANCIAL INSTRUMENTS

(a) Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the company consists of cash and cash equivalents and retained earnings.

Operating cash flows are used to maintain the company's charitable activities.

(b) Interest rate risk management

The company's exposures to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or any other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to and forming part of the financial statements. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic company.

(d) Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to and forming part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors. Given the nature of its operations, the company has no need for a liquidity risk management framework.

The following tables detail the company's expected maturity for its derivative and non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows.

\$82,792 of funds held in Term Deposits are encumbered, as they have corresponding bank guarantees issued against them to third parties.

	Average Interest Rate	Variable Interest	Fixed Interest Rate Maturity		Non-interest Bearing	TOTAL
			Less than 1 year	More than 1 Year		
	%	\$	\$	\$	\$	\$
2015						
Financial Asset						
Cash at Bank and Term Deposit	2.58%	932,400	512,460	-	1,734	1,446,594
Trade and Other Receivables	-	-	-	-	406,287	406,287
		932,400	512,460	-	408,021	1,852,881
Financial Liability						
Trade and Other Payables	-	-	-	-	815,823	815,823
2014						
Financial Asset						
Cash at Bank and Term Deposit	3.67%	68,820	517,034	-	-	585,854
Trade and Other Receivables	-	-	-	-	521,450	521,450
		68,820	517,034	-	521,450	1,107,304
Financial Liability						
Trade and Other Payables	-	-	-	-	1,058,212	1,058,212

In the previous financial year, the company had the following financing arrangements in place with the Westpac Banking Corporation:

- Business Overdraft Facility of \$300,000 at a variable interest rate, which is to expire and due for annual review on 31 December 2014.
- Bank Business Loan of \$314,120 at a variable interest rate, with the option to repay interest only. The finance term of this loan expires on 31 December 2014.
- Bank Business Loan of \$616,000 at a variable interest rate, with the option to repay interest only. The finance term of this loan expires on 30 December 2014.

During the financial year, the company had repaid all borrowings with Westpac Banking Corporation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10: SEGMENT REPORTING

Learning Links operates in the Community Services Sector providing assistance within Australia to children who have difficulty learning and their families.

NOTE 11: HOUSIE OPERATIONS (EXCLUDING BINGO)

The Housie proceeds (not including bingo) below exclude accounting, management and secretarial costs.

	2015	2014
	\$	\$
Income		
Housie Ticket Sales	6,988,146	5,900,990
Pen Sales	415,753	357,724
Other	100	1,586
Club Donation	666	445
Total Income	7,404,665	6,260,745
Expenditure		
Housie Prizes	5,090,578	4,340,043
Wages, Super, & Workers Insurance	769,045	804,583
Housie Tickets	212,551	208,811
Miscellaneous	119,542	85,162
Total Expenditure	6,191,716	5,438,559
Gross Profit on Housie Games	1,212,949	822,146
Gross Profit/Total Housie Income	16.4%	13.1%

Charity Housie is a gaming program with cash prizes run for charitable purposes while Club Bingo is a gaming program with non-cash prizes usually run as a social activity in clubs. Both are required to comply with government legislation.

The disclosure above relates only to Charity Housie, in accordance with the *Charitable Fundraising Act 1991* requirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: GOODWILL

On 5 September 2011, Learning Links acquired the net assets of a long day care centre, Early Education and Care, located at 201 Elizabeth Street Sydney for a total consideration transferred of \$1,503,617. The day care centre, Early Education and Care was formerly the Kids Company (George Street) Pty Limited and was in receivership at the time of the acquisition. This acquisition gave Learning Links the opportunity to expand its revenue base and add diversity to its range of products and services for children and their families. The goodwill of \$632,967 represented the residual value of the purchase price over the fair value of identifiable tangible and intangible assets shown below.

	2015 \$	2014 \$
Opening Balance at 1 July	197,074	632,967
Impairment	-	(435,893)
Derecognised on disposal (Note 20)	(197,074)	-
Closing Balance at 30 June	<u>-</u>	<u>197,074</u>

In the previous financial year, a sale agreement has been signed which had led to impairment of \$435,893.

During the current financial year, the goodwill has been derecognised based on sale of the long day care centre.

NOTE 13: BORROWINGS

	2015 \$	2014 \$
Current		
Secured at amortised cost		
Bank Loans (iii)	-	314,120
Bank Loans (iv)	-	616,000
Bank overdraft (i)	-	218,754
Equipment Finance (ii)	2,571	12,545
	<u>2,571</u>	<u>1,161,419</u>
Non-Current		
Secured		
Equipment Finance (ii)	-	21,725
	<u>-</u>	<u>21,725</u>

In prior year, the borrowings were secured by the following:

(i) Bank overdraft is secured by way of a first ranking fixed and floating charge over all existing and future assets of Learning Links & by a mortgage over the property located at 14 Pindari Road, Peakhurst Heights, NSW 2210

(ii) Equipment finance loan is secured by a charge over motor vehicles with Registration numbers CEL07Z and BC85PR.

(iii) Bank loan is secured by a mortgage over the property located at 14 Pindari Road, Peakhurst Heights, NSW 2210

(iv) Bank loan is secured by a mortgage over the property located at 10 Railway Parade, Penshurst NSW 2222

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2015	2014
	\$	\$
Cash on hand and at bank	934,134	68,470
Term deposit	512,460	517,384
Cash and cash equivalents at the end of the year	1,446,594	585,854

Reconciliation of net cash provided by operating activities to net profit

Operating profit/(loss)	47,014	(630,110)
Impairment on goodwill	-	435,893
Gain on sale of property, plant and equipment	(8,146)	-
Depreciation	185,876	272,717
Changes in Assets and Liabilities		
(Decrease) in Provisions	(168,435)	(13,102)
Increase/(Decrease) in Creditors	(261,321)	69,137
(Decrease) in Funds & Grants in Advance	(131,554)	(73,954)
Decrease in Prepaid Expenses	10,389	37,491
Decrease/(Increase) in Accounts Receivable	115,163	(14,831)
Decrease in Inventories	70,928	354
(Increase) in Other Receivables	(2,091)	(6,615)
Net Cash (used in)/provided by operating activities	(142,177)	76,980

NOTE 15: REMUNERATION OF AUDITOR

	2015	2014
	\$	\$
Audit of the financial report	32,960	32,000
	32,960	32,000

The auditor of Learning Links is Deloitte Touche Tohmatsu.

NOTE 16: PROVISIONS

	2015	2014
	\$	\$
Employee Entitlements	378,575	546,452
	378,575	546,452
Current	247,147	494,095
Non-Current	131,428	52,357
	378,575	546,452

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17: TRADE AND OTHER RECEIVABLES

Trade terms vary. Parent fees for services are due within 14 days of service delivery. Learning Links raises money to subsidise fees for parents who cannot afford to pay, either because of their financial circumstances at the time the service is agreed to or changed circumstances while the service is being received. Fee subsidies assist in paying for services when parents cannot.

Housie and Bingo consists of two sources of income, first being session income and second being club reimbursement. All session income is cash at the time of service and club reimbursements are 30 days trade terms (the terms with clubs may vary based on contractual agreements).

Trade terms for selected government departments falls within 90 days from the date of service.

No interest is charged on receivables. Past experience is that debt can be recoverable even when outstanding beyond payment terms.

NOTE 18: TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Trade payables	231,611	327,500
Other payables	427,696	636,848
Goods and services tax payables	156,516	93,864
Total	815,823	1,058,212

Other payables include Superannuation and PAYG payable.

NOTE 19: KEY MANAGEMENT PERSONNEL REMUNERATION

	2015	2014
	\$	\$
Short term employee benefits	1,099,886	954,680
Post-employment benefits	53,766	92,738
Termination benefits	56,720	109,657
Total	1,210,372	1,157,075

NOTE 20: DISCONTINUED OPERATIONS

On 3 December 2014, Learning Links had disposed the long day care centre, Early Education and Care located at 201 Elizabeth Street Sydney, including all assets and liabilities.

NOTE 20.1: GAIN ON DISPOSAL OF BUSINESS COMBINATION

The disposal resulted in a gain of \$27,686 as follows:

	2015
	\$
Purchase consideration	861,859
Less: Cost of disposal	(38,277)
	<u>823,582</u>
Less: Net assets disposed	(598,822)
Less: Goodwill (Note 12)	(197,074)
Total Gain	<u>27,686</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: DISCONTINUED OPERATIONS (CONT'D)

NOTE 20.2: ANALYSIS OF PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS

The profit of \$96,312 has been included in the profit and loss statement which is related to the discontinued operations of Early Education and Care, which is as set out below.

	2015
	\$
Fee Income for Services	884,280
Other Income	2,907
Total revenue	<u>887,187</u>
Human Resource Costs for Early Education and Care	(477,671)
Early Education and Care Other Costs	(313,204)
Total expenses	<u>(790,875)</u>
Profit for the year	<u>96,312</u>

NOTE 21: SUBSEQUENT EVENTS

There has not been any matter or circumstances that have arisen since the end of the financial year which significantly affected or might significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.