

**COOL AUSTRALIA LIMITED
AS TRUSTEE FOR
THE COOL AUSTRALIA TRUST
A.B.N. 52 435 794 034**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

**COOL AUSTRALIA LIMITED
AS TRUSTEE FOR
THE COOL AUSTRALIA TRUST
A.B.N. 52 435 794 034**

CONTENTS

Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Directors' Declaration	13
Auditor's Independence Declaration	14
Independent Auditors' Report	15

**COOL AUSTRALIA LIMITED
AS TRUSTEE FOR
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A.B.N. 52 435 794 034**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
INCOME		
Donation Income	21,920	7,543
Activities Income	22,722	25,090
Grant Income	768,646	633,500
Sponsorship Income	12,500	50,000
Interest Income	333	260
Education Service Fee	212,080	276,480
Curriculum Services	137,361	267,912
Other Income	170,555	28,008
	<u>1,346,117</u>	<u>1,288,793</u>
EXPENSES		
Accountancy Fees	38,600	16,655
Advertising & Promotion	66,766	61,501
Auditor's Remuneration	4,500	5,293
Bookkeeping expenses	18,670	31,640
Computer & website expenses	108,440	115,572
Consultants	65,454	84,000
Curriculum Writers	67,566	31,282
Depreciation	9,371	1,645
Employee Expenses	808,759	575,563
Occupancy Expenses	36,068	43,878
Other Expenses	61,668	63,287
	<u>1,285,862</u>	<u>1,030,316</u>
Profit/(Loss) from operations	<u>60,255</u>	<u>258,477</u>
Other comprehensive income:	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>60,255</u></u>	<u><u>258,477</u></u>

The accompanying notes form part of these financial statements.

**COOL AUSTRALIA LIMITED
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A.B.N. 52 435 794 034**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	335,743	258,716
Trade and other receivables	3	76,150	182,982
TOTAL CURRENT ASSETS		<u>411,893</u>	<u>441,698</u>
NON-CURRENT ASSETS			
Plant and equipment	4	3,518	5,141
Intangible Assets	5	62,729	-
TOTAL NON-CURRENT ASSETS		<u>66,247</u>	<u>5,141</u>
TOTAL ASSETS		<u>478,140</u>	<u>446,839</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	20,869	24,741
Other current liabilities	7	58,900	76,989
Employee benefits	8	21,634	28,627
TOTAL CURRENT LIABILITIES		<u>101,403</u>	<u>130,357</u>
NON-CURRENT LIABILITIES			
Other non-current liabilities	8	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>101,403</u>	<u>130,357</u>
NET ASSETS		<u>376,737</u>	<u>316,482</u>
EQUITY			
Settled Sum		10	10
Retained earnings		376,727	316,472
TOTAL EQUITY		<u>376,737</u>	<u>316,482</u>

The accompanying notes form part of these financial statements.

**COOL AUSTRALIA LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Settled Sum \$	Retained earnings \$	Total \$
Balance at 1 July 2018	10	57,995	58,005
Comprehensive income:			
Net profit for the year	-	258,477	258,477
Other Comprehensive income	-	-	-
Balance at 30 June 2019	<u>10</u>	<u>316,472</u>	<u>316,482</u>
Comprehensive income:			
Profit attributable to members	-	60,255	60,255
Other comprehensive income	-	-	-
Balance at 30 June 2020	<u><u>10</u></u>	<u><u>376,727</u></u>	<u><u>376,737</u></u>

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**COOL AUSTRALIA LIMITED
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Interest received		333	184
Cash Receipts from Operations		1,511,943	1,169,201
Cash Payments applied in Operations		<u>(1,331,549)</u>	<u>(1,040,871)</u>
Net cash provided by operating activities	9	<u>180,727</u>	<u>128,514</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of intangible assets		(70,477)	-
Other cash items from investing activities		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>(70,477)</u>	<u>-</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from related parties borrowings		-	-
Repayments of related parties borrowings		<u>(33,223)</u>	<u>(46,000)</u>
Net cash provided by investing activities		<u>(33,223)</u>	<u>(46,000)</u>

Net (decrease)/increase in cash held		77,027	82,514
Cash at beginning of financial year		<u>258,716</u>	<u>176,202</u>
Cash at end of financial year	2	<u>335,743</u>	<u>258,716</u>

The accompanying notes form part of these financial statements.

**COOL AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Cool Australia Trust Deed and has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The directors have determined that the Cool Australia Trust is not a reporting entity.

The financial report, except for the cash flow information, has been prepared on an accrual basis and is based on historical costs unless stated otherwise in the notes and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

AASB 101	Preparation of Financial Statements
AASB 107	Cash Flow Statements
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation and Application of Standards
AASB 1054	Australian Additional Disclosures

These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards, except for the matter described in Note 1(g) Leases. The material accounting policies adopted in the special purpose financial statements are set out in note 1 and indicate how the recognition and measurement requirements in Australian Accounting Standards have been complied with.

Note 1(i) Leases

At the lease commencement, the Trust has not recognised a right-of-use asset and associated lease liability for the lease term. This does not comply with AASB 16 *Leases*.

The Cool Australia Trust is a trust domiciled in Australia. The financial report is for the entity Cool Australia Trust as an individual entity. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The amounts presented in the financial report have been rounded to the nearest dollar.

The following is a summary of the material accounting policies adopted by the trust in the preparation of the financial report.

**COOL AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

a. Income Tax

The Trust is exempt from Income Tax, is entitled to a GST concession and FBT rebate.

b. Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation.

Individual assets with a cost less than \$20,000 are fully expensed in the year purchased.

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful lives from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation Method</i>	<i>Depreciation Rate</i>
Website design & development	Prime Cost	20%
Office Equipment	Diminishing Value	40% - 50%
Leasehold Improvements	Prime Cost	16.67%

c. 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 one year or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

**COOL AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

d. Revenue and Other Income

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from the rendering of services is recognised upon the delivery of the service. Donations and interest income are recognised as revenue when received. All revenue is stated net of the amount of goods and services tax (GST).

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amounts of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a net basis.

f. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Trust during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally and within 30 days of recognition of the liability.

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a net basis.

**COOL AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

g. Employee Benefits

Provision is made for the trust's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

h. Critical Accounting Estimates and Judgements

The directors of the trustee company evaluate estimates and judgements incorporated into the financial report 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 trust.

i. Leases

(i) Right-of-use asset

At the lease commencement, the Trust has not recognised a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Trust believes it is reasonably certain that the option will be exercised.

The right-of-use asset is not measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is not depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is not initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Trust's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is not measured at amortised cost using the effective interest rate method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
2 Cash and Cash Equivalents		
Cash on Hand	10	10
Cash at bank	335,733	258,706
	<u>335,743</u>	<u>258,716</u>
3 Trade and Other Receivables		
Current		
Trade Debtors	64,475	164,655
Loan – Cool Australia Education Limited	1,500	8,152
Rental Bond	10,175	10,175
	<u>76,150</u>	<u>182,982</u>
4 Plant and Equipment		
Office Equipment		
At cost	6,482	6,482
Less accumulated depreciation	(6,482)	(6,480)
	<u>-</u>	<u>2</u>
Leasehold Improvements		
At cost	9,727	9,727
Less accumulated depreciation	(6,209)	(4,588)
	<u>3,518</u>	<u>5,139</u>
Total plant and equipment	<u>3,518</u>	<u>5,141</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$

4 Plant and Equipment (Continued)

a Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year

	Office Equipment \$	Leasehold Improvements \$	Total \$
Balance at the beginning of the year	2	5,139	5,141
Additions	-	-	-
Depreciation expense	(2)	(1,621)	(1,645)
Carrying amount at the end of the year	<u>-</u>	<u>3,518</u>	<u>3,518</u>

5 Intangible Assets

2020
\$

2019
\$

Website design and development

At cost

138,283

99,539

Less accumulated depreciation

(107,288)

(99,539)

30,995

-

Domain Name

31,734

-

62,729

-

6 Trade Payables

Current

Trade Creditors

20,869

24,741

20,869

24,741

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
7 Other Payables		
Current		
Other Liabilities	58,900	43,766
Loans	-	33,223
	<u>58,900</u>	<u>76,989</u>
8 Employee Benefits		
Current		
Annual Leave	19,953	22,721
Long Service Leave	1,681	5,906
	<u>21,634</u>	<u>28,627</u>
9 Cash Flow Information		
Reconciliation of cash:		
Cash on hand	10	10
Cash at bank	335,733	258,706
Cash and cash equivalents	<u>335,743</u>	<u>258,716</u>
Reconciliation of net income to net cash provided by operating activities:		
Profit (Loss) after income tax	60,255	258,477
Add/Subtract non-cash item		
Depreciation	9,371	1,645
Changes in assets and liabilities		
(Increase) Decrease in current receivables	110,772	(166,285)
(Increase)/Decrease in current payables	7,323	39,911
Increase/(Decrease) in provisions	(6,994)	(5,234)
	<u>180,727</u>	<u>128,514</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

10 Events After The Reporting Period

In March 2020, COVID 19 was declared a global pandemic by the World Health Organisation. This is expected to have an impact on the company's operations and cash flows in the 2020/21 financial year. The extent of this impact cannot yet be determined.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

11 Related Parties

The trust receives an Education Service Fee from a related party, Cool Australia Education. This service fee is for a set amount of 80% of Partner Funded Content received by the company and is documented in a Memoranda of Understanding between the two entities.

12 Entity Details

The registered office of the company is:

DJ Smith Group
Building 4 Suite 46
195 Wellington Road Clayton VIC 3168

The principal place of business is:

Cool Australia Limited as trustee for the Cool Australia Trust
127A Chapel Street
Windsor VIC 3181

**COOL AUSTRALIA LIMITED
AS TRUSTEE FOR
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A.B.N. 52 435 794 034
DIRECTOR'S DECLARATION**

The directors of the trustee company declare that in the directors opinion:

1

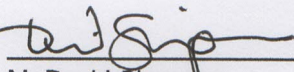
There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

2

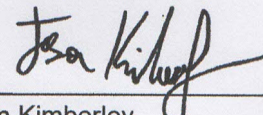
The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with *subsection 60.15 (2) of the Australian Charities and Not-for-profit Commission Regulation 2013*.

Director:


Mr David Simpson

Director:


Mr Jason Kimberley

Dated this 22 day of September 2020

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-C OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFIT COMMISSION ACT 2012**

To the Directors of Cool Australia Limited as trustee for the Cool Australia Trust:

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-For-Profit Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LDAssurance
Chartered Accountants



Stephen O'Kane
Partner

Dated this 24th day of September 2020
330 Collins Street, Melbourne.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Cool Australia Limited as trustee for the Cool Australia Trust ('the trustee Company'), which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Company.

In our opinion, the accompanying financial report of Cool Australia Limited as trustee for the Cool Australia Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-For-Profit Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian accounting standards and Division 60 of the *Australian Charities and Not-For-Profit Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ('the Code') that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to for the purpose of fulfilling the Entity's financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to Note 1 (i) of the financial report, the trust has not complied with the recognition and measurement requirements of AASB 16 Leases, as the effect is not considered material. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors' responsibility also includes such internal control as it determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LDAssurance
Chartered Accountants



Stephen O'Kane
Partner

Dated this 24th day of September 2020
330 Collins Street, Melbourne.