

**COOL AUSTRALIA LIMITED AS TRUSTEE FOR
THE COOL AUSTRALIA TRUST
ABN 52 435 794 034**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

For the Year Ended 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Financial Report	
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	11
Independent Auditor's Report	12

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
REVENUE		
Donation income	64,228	46,752
Activities income	-	855
Fundraising income	57,625	115,470
Grant income	35,000	45,000
Sponsorship income	318,225	352,000
Interest received	323	791
Professional development services	151,815	137,542
Education service fee	233,056	-
Curriculum services	212,521	353,570
Other income	12,150	13,193
	1,084,943	1,065,173
EXPENDITURE		
Accounting fee	5,289	7,292
Advertising & promotion	14,658	39,749
Audit fee	4,500	4,500
Bookkeeping expenses	11,050	9,577
Contractor expenses	26,826	17,895
Computer & website expenses	130,051	82,773
Conference expenses	7,828	8,872
Curriculum writers	30,299	16,443
Depreciation expense	1,391	2,052
Employee expenses	513,389	548,768
Event expenses	44,613	65,807
Occupancy expenses	29,550	27,502
Other expenses	120,889	95,921
	940,333	927,151
Profit/(loss) from operations	144,610	138,022
Total comprehensive income for the year	144,610	138,022
Total comprehensive income attributable to:		
Members of the entity	144,610	138,022

The accompanying notes form part of these financial statements.

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

Statement of Financial Position

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	140,935	187,117
Trade and other receivables	3	77,390	119,224
Other current assets	4	-	4,545
Total current assets		218,325	310,886
Non-current assets			
Plant and equipment	5	8,431	94
Total non-current assets		8,431	94
TOTAL ASSETS		226,756	310,980
LIABILITIES			
Current liabilities			
Trade payables	6	5,446	30,883
Accrued income	7	-	168,655
Other current liabilities	8	91,547	48,299
Total current liabilities		96,993	247,837
Non-current liabilities			
Other non-current liabilities	8	128,873	206,863
Total non-current liabilities		128,973	206,863
TOTAL LIABILITIES		225,866	454,700
Net Assets / (Liabilities)		890	(143,720)
EQUITY			
Settled sum		10	10
Retained earnings/(loss)		880	(143,730)
TOTAL EQUITY		890	(143,720)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2017

	Settled sum	Retained Earnings/(Loss)	TOTAL
		\$	\$
Balance at 1 July 2015	10	(281,752)	(281,742)
Comprehensive income:			
Net profit for the year	-	138,022	138,022
Other comprehensive income	-	-	-
Total comprehensive income	-	138,022	138,022
Balance at 1 July 2016	10	(143,730)	(143,720)
Comprehensive income:			
Net profit for the year	-	144,610	144,610
Other comprehensive income	-	-	-
Total comprehensive income	-	144,610	144,610
Balance at 30 June 2017	10	880	890

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from operations		1,170,571	1,057,269
Cash payments applied in operations		(1,129,357)	(954,437)
Interest received		323	791
Net cash provided by (used in) operating activities	9(b)	41,537	103,623
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from related parties borrowings		8,571	12,475
Repayments of related parties borrowings		(86,561)	(94,477)
Net cash provided by (used in) financing activities		(77,990)	(82,002)
Net increase/(decrease) in cash held		(46,182)	21,621
Cash at the beginning of the year		187,117	165,496
Cash at the end of the year	9(a)	140,935	187,117

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

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 requirement 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 accruals basis and is based on historical costs unless otherwise stated in the notes and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

AASB 101	Preparation of Financial Statements
AASB 107	Cash Flow Statements
AASB108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB1031	Materiality
AASB 1048	Interpretation and Application of Standards
AASB 1054	Australian Additional Disclosures

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 stated otherwise. 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.

(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%

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

(d) Revenue and Other Income

Non-reciprocal grant revenue is recognised in 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 the 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 amount 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 paid within 30 days of recognition of the liability.

(g) Employee Provisions

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 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 wage 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 Judgments

The directors of the trustee company evaluate estimates and judgments 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.

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

Notes to the Financial Statements

For the Year Ended 30 June 2017

NOTE 2: CASH AND CASH EQUIVALENTS	2017	2016
	\$	\$
Cash on hand	10	10
Cash at bank	140,925	187,107
	140,935	187,117

NOTE 3: TRADE AND OTHER RECEIVABLES

CURRENT		
Debtors	67,215	107,268
Rental bond	10,175	11,955
	77,390	119,223

NOTE 4: OTHER CURRENT ASSETS

CURRENT		
Prepayments	-	4,545
	-	4,545

NOTE 5: PLANT AND EQUIPMENT

(a) Website design and development		
At cost	99,539	99,539
Less accumulated depreciation	(99,539)	(99,539)
	-	-
(b) Office equipment		
At cost	6,482	6,482
Less accumulated depreciation	(6,432)	(6,388)
	50	94
(c) Leasehold Improvements		
At cost	9,727	-
Less written off	(1,346)	-
	8,381	-
Total plant and equipment	8,431	94

Notes to the Financial Statements

For the Year Ended 30 June 2017

NOTE 5: PLANT AND EQUIPMENT (Continued)

2017	2016
\$	\$

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 current financial year

	Website design & development	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of the year	-	94	-	-
Additions	-	-	9,727	9,727
Depreciation expense	-	(44)	(1,346)	(1,390)
Carrying amount at the end of year	-	50	8,381	8,431

NOTE 6: TRADE PAYABLES

CURRENT

Trade creditors	5,446	30,883
	5,446	30,883

NOTE 7: ACCRUED INCOME

CURRENT

Income Received in Advance	-	168,655
	-	168,655

NOTE 8: OTHER LIABILITIES

CURRENT

Other liabilities	64,778	32,101
Employee provisions	26,769	16,198
	91,547	48,299

Notes to the Financial Statements

For the Year Ended 30 June 2017

NOTE 8: OTHER LIABILITIES (CONTINUED)

NON-CURRENT

Loans	128,873	206,863
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The entities to which the loans are payable have undertaken not to call on these funds to the extent that such a call will mean the organisation will not be able to meet its debts as and when required. The amount outstanding is not interest bearing.

NOTE 9: CASH FLOW INFORMATION

2017 2016

\$ \$

(a) Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is displayed in the statement of financial position under these classifications:

Cash on hand	10	10
Cash at bank	140,925	187,107
	<u>140,935</u>	<u>187,117</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities

Net income/(loss) for the period	144,610	138,022
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Add/Subtract non-cash items:

Depreciation	1,391	2,052
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Changes in Assets and Liabilities

(Increase)/Decrease in GST payable / receivable	18,153	6,212
(Increase)/Decrease in Other receivable	1,780	(10,175)
(Increase)/Decrease in Prepayments	4,545	16,252
(Increase)/Decrease in Trade debtors	40,054	(97,909)
Increase/(Decrease) in Trade payables	(25,437)	30,883
Increase/(Decrease) in Provision	12,594	(8,906)
Increase/(Decrease) in Other payables	(156,153)	27,192

Net Cash provided by (used in) Operating Activities	<u>41,537</u>	<u>103,623</u>
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NOTE 10: EVENTS AFTER THE REPORTING PERIOD

No events or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

Notes to the Financial Statements

For the Year Ended 30 June 2017

NOTE 11: TRUST DETAILS

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

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

COOL AUSTRALIA LIMITED AS TRUSTEE FOR THE COOL AUSTRALIA TRUST
ABN 52 435 794 034

Directors' Declaration

For the Year Ended 30 June 2017

The directors of the trustee company declare that:

The directors has determined that Cool Australia Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the directors the financial report as set out on pages 1 to 10:

1. Presents a true and fair view of the financial position of Cool Australia Trust as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Cool Australia Trust will be able to pay its debts as and when they fall due.

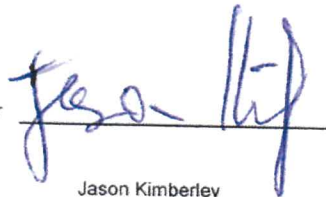
This declaration is made in accordance with a resolution of the Board of Directors of the trustee company and is signed for and on behalf of the directors by:

Director



David Simpson

Director



Jason Kimberley

Dated this 26 day of SEPTEMBER 2017



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
COOL AUSTRALIA LIMITED AS TRUSTEE FOR
THE COOL AUSTRALIA TRUST (ABN 52 435 794 034)**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose report, of Cool Australia Limited as trustee for the Cool Australia Trust, which comprises the statement of financial position as at 30 June 2017, 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, including a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Trustee Company.

In our opinion the financial report of The Cool Australia Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and ethical Standards Board 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.

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 for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Trustees' Responsibility for the Financial Report

The directors of the trustee company 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 Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the needs of the members. The trustees' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 trustee's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the trustee company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the trustee 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 [my] opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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

-12-



AUDIT & ASSURANCE

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 trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the trustees' 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 trustee'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 trustee 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 those charged with governance 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.

LZR Audit & Assurance Pty Ltd
Suite 1, Level 1, 615 Dandenong Road
Armadale VIC 3143

Michael Zylberman OAM CA

Dated: 27 September 2017

