

Bartercard Charity Foundation Limited

ACN 153 618 289

**Financial Statements
For the Year Ended 30 June 2014**

Bartercard Charity Foundation Limited
Financial Statements
For the Year Ended 30 June 2014

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	4
Statement of Profit or Loss and other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	11
Independent Auditor's Review Report	12

Bartercard Charity Foundation Limited

ACN 153 618 289

Directors' Report for the Period Ended 30 June 2014

Your Directors present their report on the Company for the financial year ended 30 June 2014.

Directors

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

Mr Michael Traynor
Mr Murray Howard D'Almeida
Mr Trevor Dietz

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

Principal Activities

The Company was established on 7 October 2011 and is the trustee of the Bartercard Charity Foundation Public Trust. The Bartercard Charity Foundation is a Public Ancillary Fund and exists for the purpose of making grants to other Australian Registered Charities who are also DGRs.

Short-term and Long-term Objectives

The Short and Long Term Objectives of the Foundation are to assist Australian registered charities who have seen a major reduction in cash donations because of the global financial crisis and other factors. The Foundation is set up to be able to accept the donation of goods and/or services from Australia's larger businesses and turn those donations into Bartercard Trade Dollars which in turn can be used by the registered charities to buy what they need from the 18,000 businesses who are members of the Bartercard Trade Exchange.

Strategies

The Foundation operates as a public ancillary fund and will itself make gifts of money, property or benefits to or for eligible charities, or for the establishment of eligible charities. An "eligible charity" includes any fund, authority or institution which is charitable at law and gifts to which are deductible under item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997 (Cth).

Key Performance Measures

The company measures its own performance through the use of both qualitative and quantitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	Actual	<u>2014</u> Benchmark
Clients		
Donors	14	200
Cash Donations	\$575	\$50,000
Trade Dollar Donations	T\$67,859	T\$200,000
Staff & Volunteers	1	1
Grant Applications	2	20
Grant Recipients	2	5
Operational & Financial		
Proportion of funding provided by:		
- Grants	0%	20%
- Donations	100%	80%
- Investments	0%	0%
Proportion of funding spent on		
- Projects / Grants	75%	80%
- Administration	1%	15%
- Fundraising	0%	5%

Bartercard Charity Foundation Limited

ACN 153 618 289

Directors' Report for the Period Ended 30 June 2014

Information on Directors

Mr Murray Howard D'Almeida

Qualifications - N/A

Experience - Murray has over 30 years national and international business experience, especially in franchising.

He qualified as an Accountant in Perth and commenced with a firm of Chartered Accountants before moving to commercial accounting with two USA based mining companies.

He founded Retail Food Group Australia and was instrumental in the growth of that company's brands, Donut King and BB's Coffee, to in excess of 300 stores in Australia and in seven other countries. He has also been involved in the restaurant, wholesaling, farming and liquor industries.

Murray is currently Chairman of the following: BPS Technology Limited, Bartercard Australia Pty Ltd, Gold Coast Rugby Ltd and Connecting Southern Gold Coast Ltd. Murray is also Vice President of the Queensland Rugby Union.

He is a non-executive Director of the London Stock Exchange listed Beacon Hill Resources.

Murray is a member of the Gold Coast's Regional Economic Development Advisory Board and a member of a Griffith University Business School Advisory Board.

He has held previous positions as Chairman of Allied Brands Ltd, ECT Ltd, Capricorn Resources NL and Golden Pacific Resources Ltd (ASX listed entities), and a former Director of the Franchisors Association of Australia and New Zealand and the Australian Small Business Association.

Special Responsibilities - Non-executive Chairman.

Mr Trevor Dietz

Qualifications - Fellow Institute of Company Directors, Australia Masters of Science - (Human Resource Management (IMC)); MBA; Certificate in Accounting; Certificate in Banking Practice; Commissioner of Declarations; Fellow of the Institute of Public Accountants; Fellow of the Financial Services Institute of Australia; Fellow of the Financial Services Institute of Australia; Chartered Member of the Australian Human Resources Institute; Fellow of the Australian Institute of Company Directors.

Experience - Trevor Dietz is the Chief Operating Officer of the Bartercard International Group of Companies and Managing Director of Barter Capital Pty Ltd. In these roles his focus is on the capital structuring of the Bartercard International Group as well as developing emerging international markets, technology systems and new enterprises that would be complementary to the business of the Bartercard International Group in general and Bartercard Australia in particular.

Previously Trevor was the Managing Director of Bartercard Australia Pty Ltd having been appointed to that role in November 2005. He joined Bartercard in 1993 as General Manager and has since contributed to the company's success in a broad cross section of senior management roles. In August 2007 he led the team that conducted a successful Management Buy Out (MBO) of Bartercard Australia for \$25.5m from its Licensor Bartercard International Limited. He was elected to the Australian Board of Bartercard in 1998 and to the Board of Bartercard International in 2000. He is also a director of BPS Technology Limited and also Chairman of the Gold Coast based Institute of Business Leaders Ltd.

He has over 30 years experience in retail, corporate and international banking, finance and human resource management.

Before joining Bartercard, Trevor was Chief Executive Officer of the National Institute of Accountants (now called the Institute of Public Accountants), and held senior Corporate Office positions in North Broken Hill Peko and National Australia Bank.

He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Public Accountants, a Fellow of the Financial Services Institute of Australia and a Chartered Member of the Australian Human Resources Institute.

Special Responsibilities - Non-Executive Director.

Mr Michael Traynor - Director

Qualifications -

Professional Qualifications

- Bachelor of Commerce (UNSW)
- Fellow Institute of Chartered Accountants
- Graduate Diploma Applied Finance and Investment
- Registered Company Auditor
- Certified Fraud Examiner

Experience - Mike Traynor is a senior partner with the large, Brisbane based Chartered Accounting firm Pilot Partners.

With more than 25 years of experience, Mike is considered a specialist in the identification, evaluation and management of risk. He is highly skilled in the development of risk mitigation and control systems.

Mike has extensive experience in strategic planning, feasibility studies, the development of appropriate corporate structures, designing and implementing management reporting structures, identification of key performance indicators.

He also assists clients in preparing business plans, finance applications, transaction negotiations and capital raisings as well as merger and acquisition activities.

Relevant Not for Profit Experience

- Advisor to Australian Communication Exchange Limited
- Advisor to Royal Blind Foundation Limited (2002-2007)
- Auditor of Queensland Baptist Care (2011)

Bartercard Charity Foundation Limited
ACN 153 618 289
Directors' Report for the Period Ended 30 June 2014

- Advisor to Wests Rugby Club
- Special Responsibilities - Independent non-executive director.

Meetings of Directors

During the financial year, six meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors' Meetings		
	Eligible to attend	Number attended
Mr Michael Traynor	6	5
Mr Murray Howard D'Almeida	6	5
Mr Trevor Dietz	6	5

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2014 has been received and is attached to the directors' report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Director:

Dated this 29th day of October 2014

BARTECARD CHARITY FOUNDATION LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BARTECARD CHARITY FOUNDATION LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

WPIAS Pty Ltd

Authorised Audit Company No. 440306

A.L. Blank

ANDREA BLANK BBus CPA RCA
DIRECTOR

Dated this 29th day of October 2014

**4 Helensvale Road
Helensvale Qld 4212
Australia**

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w: www.wpias.com.au WPIAS a Limited Partnership

WPIAS Pty Ltd ABN 99 163 915 482
An Authorised Audit Company



Liability limited by a scheme approved under
Professional Standards Legislation

Bartercard Charity Foundation Limited**ACN 153 618 289****Statement of Profit or Loss and other Comprehensive Income for the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
Revenue	2	69,846	85,005
Other expenses	2	(52,851)	
Current Period Surplus/(Loss) before income tax		<u>16,995</u>	<u>85,005</u>
Income tax expense		<u>-</u>	<u>-</u>
Net Current Period Surplus/(Loss)		<u>16,995</u>	<u>85,005</u>
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period		<u>16,995</u>	<u>85,005</u>
Total comprehensive income/(loss) attributable to the member of the entity		<u>16,995</u>	<u>85,005</u>

Bartercard Charity Foundation Limited**ACN 153 618 289****Statement of Financial Position as at 30 June 2014**

	Note	2014 \$	2013 \$
Current Assets			
Cash and cash equivalents	4	106,343	85,012
Accounts receivable and other debtors			
Other current assets			
Total Current Assets		<u>106,343</u>	<u>85,012</u>
Non-Current Assets			
Property, plant and equipment			
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>106,343</u>	<u>85,012</u>
Current Liabilities			
Accounts Payable and other payables			10
GST Liabilities		38	
GST Adjustment		4,308	
Provision for employee benefits			
Total Current Liabilities		<u>4,346</u>	<u>10</u>
Non-Current Liabilities			
Provision for employee benefits			
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>4,346</u>	<u>10</u>
Net Assets		<u>101,997</u>	<u>85,002</u>
Equity			
Retained surplus		<u>101,997</u>	<u>85,002</u>
Total Equity		<u>101,997</u>	<u>85,002</u>

Bartercard Charity Foundation Limited**ACN 153 618 289****Statement of Changes in Equity for the Year Ended 30 June 2014**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2012	(3)	(3)
Comprehensive income		
Surplus/(Deficit) for the period	85,005	85,005
Other comprehensive income	-	-
Balance at 30 June 2013	<u>85,002</u>	<u>85,002</u>
Comprehensive income		
Surplus/(Deficit) for the year	16,995	16,995
Other comprehensive income	-	-
Balance at 30 June 2014	<u>101,997</u>	<u>101,997</u>

Bartercard Charity Foundation Limited
ACN 153 618 289
Statement of Cash Flows for the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities:			
Donations received		67,756	85,005
Other income		2,090	-
Payments to suppliers and employees		2,881	-
Grant payments		(51,395)	-
Net cash provided by (used in) operating activities		<u>21,332</u>	<u>85,005</u>
Cash flows from investing activities:			
		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities:			
Loan from director		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		21,332	85,005
Cash and cash equivalents at the beginning of the financial period		85,012	7
Cash and cash equivalents at the end of the financial period	4	<u>106,344</u>	<u>85,012</u>

Bartercard Charity Foundation Limited

ACN 153 618 289

Notes to the Financial Statements for the Year Ended 30 June 2014

The financial statements cover Bartercard Charity Foundation Limited as an individual entity, incorporated and domiciled in Australia. Bartercard Charity Foundation Limited is a company limited by guarantee.

Note 1: Summary of Significant Accounting Policies**Basis of preparation**

The directors have prepared the financial statement on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Accounting Policies**a. 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.

b. Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

c. Non-Cash Donations

The company receives non-cash donations (goods and services) which are generally on-sold to Bartercard Australia Pty Ltd for trade dollars. Some goods and services are available to be provided directly to relevant registered charities. These latter transactions have not been recorded in the financial report.

	2014 \$	2013 \$
Note 2: Net Current Year Surplus		
Revenue		
Donation income	67,756	85,005
Other income	2,089	-
Expenses		
Grant payments	51,395	
Other expenses	1,466	-
Note 3: The Company auditor's remuneration for the year was \$500 (2013: \$500) payable in trade dollars.		
Note 4: Cash and Cash Equivalents		
Cash at bank	106,343	85,012

Bartercard Charity Foundation Limited
ACN 153 618 289

Notes to the Financial Statements for the Year Ended 30 June 2014

Note 5: Company Details

The registered office of the Company is:
Level 2, 121 Scarborough Street
Southport QLD 4215

Note 6: Members Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the Foundation. As at 30 June 2014, the number of members was one (2013: 1).

Note 7: Economic Dependency

The Company is dependent on a related entity, BPS Technology Ltd and its subsidiary company Bartercard Australia Pty Ltd, who have paid majority of operating expenses on behalf of the Company for the financial year ended 30 June 2014. BPS Technology Ltd and Bartercard Australia Pty Ltd will not require repayment of these expenses, and will continue to provide support as required.

Note 8: Commitments

The Company has committed to provide the remaining T\$50,000 of the original T\$100,000 grant to Aussie Helpers for the Buy A Bale Campaign. This final payment is subject to Aussie Helpers spending a further T\$50,000 from its Bartercard account in accordance with the terms of the grant.

Bartercard Charity Foundation Limited
ACN 153 618 289
Directors' Declaration

In accordance with a resolution of the Directors of Bartercard Charity Foundation Limited, the Directors declare that:

- (a) The financial statements and notes, as set out on pages 5 to 10 are in accordance with the Corporations Act 2001, and:
 - (i) comply with Accounting Standards applicable to the company; and
 - (ii) give a true and fair view of the Company's financial position as at 30 June 2014 and the of the performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- (b) In the Directors' 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.

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

Director: 

Dated this 29th day of October 2014

**BARTERCARD CHARITY FOUNDATION LIMITED
ACN 153 618 289**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBER OF
BARTERCARD CHARITY FOUNDATION LIMITED**

We have reviewed the accompanying financial report, being a special purpose financial report, of Bartercard Charity Foundation Limited (the company), which comprises the statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the Corporations Act 2001 and the Public Ancillary Fund Guidelines 2011, and are appropriate to meet the needs of the member. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415: Review of a Financial Report – Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and its performance for the year ended on that date;
- (ii) complying with the Australian Accounting Standards to the extent described in Note 1 to the financial statements and Corporations Regulations 2001; and
- (iii) complying with the Public Ancillary Fund Guidelines 2011.

ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain an assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Conclusion

Donations are a significant source of revenue for Bartercard Charity Foundation Limited. Given the nature of this revenue source, established controls over the collection of these receipts prior to entry into the financial records are limited. Accordingly, our audit procedures with respect to this revenue source was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to the completeness of donations of \$67,756. A similar qualification was disclosed in our 30 June 2013 review report and, accordingly, the comparative financial information and opening equity amount carried forward should be read in conjunction with same.

Qualified Conclusion

Based on our review, which is not an audit, except for the effect, if any, of the matter described in the above paragraph, we have not become aware of any matter that makes us believe that the financial report of Bartercard Charity Foundation Limited is not in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date;
- b. complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the Corporations Regulations 2001; and
- c. the entity has complied with the Public Ancillary Fund Guidelines 2011.

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WPIAS Pty Ltd ABN 99 163 915 482
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BARTERCARD CHARITY FOUNDATION LIMITED
ACN 153 618 289

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBER OF
BARTERCARD CHARITY FOUNDATION LIMITED

Basis of Accounting

Without modifying our opinion, 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 Corporations Act 2001 and the Public Ancillary Fund Guidelines 2011. As a result, the financial report may not be suitable for another purpose.

WILLIAMS PARTNERS
INDEPENDENT AUDIT SPECIALISTS

A.L. Blank

ANDREA BLANK BBus CPA RCA
PARTNER
Registered Company Auditor No. 278326
Dated this 29th day of October 2014

4 Helensvale Road
Helensvale Qld 4212