

**THE PYJAMA FOUNDATION LIMITED**  
**A.B.N. 43 111 196 742**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2016**

**INDEX**

	Page Number
Directors' Report	1-4
Auditor's Independence Declaration	5
Statement of Profit or Loss And Other Comprehensive Income	6-7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-17
Directors' Declaration	18
Auditor's Report	19-20

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## **DIRECTORS' REPORT**

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The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

### **Directors**

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

Shane O'Kane  
Bronwyn Sheehan  
Jim Morrison  
Brian Healey  
Peter Ostick

### **Objectives**

Our Vision – A world of unlimited opportunity for all children.

Our Mission – Creating positive relationships for every Australian Child in care; empowering them with learning, life skills, and confidence.

Our Values – Empowerment/Trust/Fun/Teamwork/Transformation

### **Strategy for achieving the objectives**

The Pyjama Foundation strategy is to provide a reading and learning mentor to every Australian child in foster care. With over 51,000 Australian children in care, and rising, children on protection orders are less likely to meet national minimum literacy and numeracy standards.

We will enhance and expand our programs and services that increase the learning skills of children in care in Australia.

In the next three years, we aim to double the number of children in care who participate in the Love of Learning Program.

Ultimately our strategic intent is to reach all Australian Children in care with our programs.

### **Principal Activities**

The principal activities of the company during the financial year were implementing The Pyjama Foundation Love of Learning Program and other activities supporting foster children and the foster care community.

There were no other significant changes in the nature of the company's principal activities during the financial year.

### **Performance measures**

The company measures its performance in a number of ways:

- Time spent with child - the Pyjama Foundation is providing 92,100 hours per annum to mentor and support children in care.
- Number of children participating in the program every week – We are currently reading to 1370 foster children every week.
- Number of books read per year – We are reading 100,000 books each year to children in foster care.
- Satisfaction from Foster Carers – 90% of foster carers of children in the Love of Learning Program has seen an improved in the child's literacy skills.

**DIRECTORS' REPORT (Continued)**

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**Information on directors**

Shane O'Kane                      Principal, Queensland Infrastructure Partners

Shane has 25 years of experience in finance sector which includes significant experience in both the infrastructure sector and corporation and privatisation transactions.

His experience includes involvement in acquisitions as well as advising governments on the sales process including a greater than 12 month secondment to the South Australian government in relation to the corporatisation and privatisation of the State Bank of South Australia.

Shane has developed innovative structures which may be significant benefit to the State during the sale process to assist with managing risk and maximising the financial return. In addition if these structures are pursued, they may be of significant benefit to the State in funding future infrastructure needs and monetising other infrastructure assets.

Appointed February 2009

Bronwyn Sheehan              Founder and Executive Director, the Pyjama Foundation

2009 Queensland Australian of the Year

Bronwyn Sheehan founded The Pyjama Foundation in 2004 to make positive impact on the lives of our community's most vulnerable children. In less than five years, The Pyjama Foundation has won a number of awards, garnered corporate and government support, and inspired a large team of community volunteers.

A nurse and midwife and business owner, Bronwyn herself was inspired by the work of foster carers. Bronwyn was alarmed at statistics highlighting the poor literacy levels of children in care, and determine to find a way to address this issue. This was the beginning of The Pyjama Foundation Love of Learning Program. Bronwyn Sheehan is the 2008 Queensland Australian of the Year and 2008 National Finalist of the IBM Community and Government category of the Telstra Business Women's Awards.

Appointed 30 September 2004

Jim Morrison

Jim has extensive accounting, finance and transaction experience in both domestic and international markets. He has worked in Australia, Hong Kong, Singapore and the USA.

Jim is currently retired with this most recent position as Chief Financial Officer of international technology company GroundProbe. Prior to this he was a Partner in international accounting firm Deloitte for over ten years.

Appointed 30 October 2006

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**DIRECTORS' REPORT (Continued)**

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Brian Healey

Brain is a partner in the Corporate & Commercial and Property & Projects Groups. He has over 18 years' experience as a lawyer servicing agribusiness and rural industry as well his commercial property clients.

Brian has been involved in some of Australia's largest and most complex agribusiness transactions and regularly provides advice to leading rural enterprises and other commercial enterprises in their business dealings.

Brian has a strong interest in corporate governance and is motivated by seeing his clients succeed and grow their businesses whilst providing strategic advice for their benefit where he can.

Brian joined The Pyjama Foundation Board in June 2014

Peter Ostick

Peter is currently founding board member and Managing Director of TVN which was recently acquired by Tremor Video a US based technology Company. TVN was an Internet delivered video platform that connected buyers and sellers through technology. Before founding TVN Peter was part of the Microsoft executive team that launched Microsoft Media Network in Australia and an early stage employee of Aquantive which was sold to Microsoft in 2008.

Peter brings an entrepreneurial energy combined with a goal orientated mindset to any venture he is involved with.

Peter joined The Pyjama Foundation Board in November 2014

**DIRECTORS' REPORT (Continued)**

**Meetings of directors**

The number of directors' meetings (including special meetings) and number of meetings attended by each of the directors of the company during the financial year are:

	No. of Meetings Attended	No. of Meetings Eligible to Attend
Shane O'Kane	8	9
Bronwyn Sheehan	9	9
Jim Morrison	9	9
Brian Healey	7	9
Peter Ostick	6	9

**Contribution on winding up**


Every members of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the period of membership or within one year afterwards for payment of the debts and liabilities of the Company contracted before the time at which membership ceases and the costs charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding the sum of \$100.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under S.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of directors.

On behalf of the directors



Mrs Bronwyn Sheehan  
Director



Mr Jim Morrison  
Director

Dated this 28 day of October 2016



Audit Services

**To the Directors of  
THE PYJAMA FOUNDATION LIMITED  
ABN 43 111 196 742**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporation Act 2001*.

I declare that, to the best of my knowledge and belief, during the year ended 30<sup>th</sup> June 2016 there have been:

- i. no contraventions of the auditor’s independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporation Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

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**Robert HJ Edwards B Com FCA**  
**RCA#6246**  
Level 1, 180 Main Street  
Kangaroo Point, QLD 4169

Dated: 21 October 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>			
Recurrent- State		329,216	205,846
Event Income		288,732	207,766
Tax Deduct Donations - Trust		285,000	220,375
Donations Received		229,018	215,937
Grant Income		112,532	63,596
Operating Recurrent - Corporate		77,291	398,013
PJ Day donations		71,967	8,492
Operating- Non recurrent - Corporate		66,000	115,760
Interest received		12,619	9,212
Operating - Non Recurrent - Local gov		10,000	6,150
Capital - Corporate		10,000	4,500
Operating - Non Recurrent - St		10,000	-
Operating-recurrent-local		1,430	-
Sponsorship and Licensing Fee		-	1,180
Other Income/Loss		-	573
		<u>1,503,805</u>	<u>1,457,400</u>
<b>Expenses</b>			
Advertising and Promotions		(12,827)	(11,340)
Bank Charges		(722)	(841)
Books Puzzles and Games		(3,650)	(5,460)
Cleaning		(2,873)	(3,437)
Commission collection donations		-	(532)
Computer/website		(15,538)	(10,163)
Consultancy Expenses		(360)	(3,367)
Depreciation Expenses		(13,832)	(10,117)
Electricity		(5,589)	(7,612)
Events		(165,674)	(93,787)
Freight		(129)	(515)

The accompanying notes form part of these financial statements.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Insurance		(11,850)	(2,680)
Internet and Database		(23,934)	(16,180)
Land Lines and Mobile Phones		(9,975)	(14,054)
Legal & Accounting		(11,714)	(9,142)
maintenance on Motor Vehicle		(9,031)	(6,430)
Meeting/Entertainment		(11,002)	(4,187)
Memberships		(8,277)	(8,130)
Merch Fees		(2,319)	(1,960)
Office Expense		(4,324)	(2,076)
Office Expense Interstate		-	(1,510)
Photocopier hire		(5,657)	-
Postage		(213)	(404)
Printing and Stationary		(15,739)	(18,060)
Rent		(66,172)	(64,263)
Staff Amenities		(2,020)	(1,546)
Staff Entitlements		(14,341)	(13,405)
Superannuation		(76,514)	(77,784)
Travel & Entertainment		(26,172)	(21,125)
Volunteer & Public Liab Insurance		(500)	-
Volunteer Expenses		(12,342)	(11,047)
Wages & Salaries		(806,830)	(833,150)
Workers' Compensation		(5,601)	(6,936)
		<u>(1,345,721)</u>	<u>(1,261,242)</u>
<b>Loss/Surplus before Income Tax</b>		<u>158,084</u>	<u>196,158</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total Comprehensive Loss/Income for the year</b>		<u>158,084</u>	<u>196,158</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	912,204	765,992
Trade and other receivables	4	55,888	30,892
Other current assets	5	5,854	5,893
<b>TOTAL CURRENT ASSETS</b>		<u>973,946</u>	<u>802,777</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	22,440	29,962
Intangible assets	7	5,750	5,750
<b>TOTAL NON-CURRENT ASSETS</b>		<u>28,190</u>	<u>35,712</u>
<b>TOTAL ASSETS</b>		<u><u>1,002,136</u></u>	<u><u>838,489</u></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	85,882	94,660
Provisions	9	79,465	70,430
<b>TOTAL CURRENT LIABILITIES</b>		<u>165,347</u>	<u>165,090</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision	9	55,067	49,761
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>55,067</u>	<u>49,761</u>
<b>TOTAL LIABILITIES</b>		<u><u>220,414</u></u>	<u><u>214,851</u></u>
<b>NET ASSETS</b>		<u><u>781,722</u></u>	<u><u>623,638</u></u>
<b>EQUITY</b>			
Retained Surpluses		<u>781,722</u>	<u>623,638</u>
<b>TOTAL EQUITY</b>		<u><u>781,722</u></u>	<u><u>623,638</u></u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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	Note	<b>Retained Surpluses</b> \$	<b>Total</b> \$
<b>Balance at 1 July 2014</b>		427,480	427,480
Total comprehensive loss for the year		196,158	196,158
<b>Balance at 30 June 2015</b>		<u>623,638</u>	<u>623,638</u>
Total comprehensive income for the year		<u>158,084</u>	<u>158,084</u>
<b>Balance at 30 June 2016</b>		<u><u>781,722</u></u>	<u><u>781,722</u></u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		1,491,186	1,447,615
Payments to suppliers and employees		(1,351,283)	(1,205,856)
Interest received		12,619	9,212
Net cash inflows / (outflows) from operating activities	10	152,522	250,971
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		(6,310)	(6,843)
Net cash inflows / (outflows) from investing activities		(6,310)	(6,843)
<b>Cash Flows From Financing Activities</b>			
Repayments from borrowings		-	-
Net cash inflows / (outflows) from financing activities		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		146,212	244,128
Cash and cash equivalents at beginning of year		765,992	521,864
<b>Cash and cash equivalents at end of year</b>	3	912,204	765,992

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users depended on general purpose financial statements. These financial statements are therefore special purpose financial statements have been prepared in order to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and *Corporation 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 *Australian Charities and Not-for-Profits Commission Act 2012*, *Corporation Act 2001* and the significant accounting policies below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**(a) Revenue and Other Income**

Grant Revenue is recognized in the Statement of Profit or Loss and Other Comprehensive Income 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 recognized in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognized as income on receipt.

The Pyjama Foundation Limited received non-reciprocal contribution of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

All revenue is stated net of the amount of goods and services tax (GST).

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Cash and cash equivalents**

Cash and cash equivalents includes 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 borrowings in current liabilities on the balance sheet.

**(c) Plant and equipment**

Each class of plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the costs 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 recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset as the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on either a straight-line / diminishing basis over the assets useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements 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 depreciable assets are:

Plant and equipment	10% - 66.67%
Motor vehicle	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset 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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Trade and other receivables**

Trade and other receivables include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(f) Goods and Services Tax**

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 payable 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.

**(g) Income Tax**

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

**(h) Intangibles**

Patents and trademarks are recorded at cost.

**(i) Provisions for employee entitlements**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

**(j) 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 company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Critical Accounting Estimates and Judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal and related actual results.

In the director's opinion, there are no particular estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as of the balance sheet date.

**2. New accounting standards for application in future periods**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. None of these is expected to have significant effect on the company financial statements except as follows:

- (i) *AASB 119: Employee Benefits* (September 2011) and *AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so it is not impacted by the amendment.

*AASB 119 (September 2011)* also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  - (i) for an offer that may be withdrawn – when employee accepts;
  - (ii) for an offer that cannot be withdrawn – when the offer is communicate to affected employees; and
  - (iii) where the termination is associated with a restructuring of activities under *AASB 137: Provisions, Contingent Liabilities and Contingent Assets* and if earlier than the first two conditions when the related restructuring costs are recognised.

The company has not yet estimated the impact of these pronouncements in its financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>3. Cash and cash equivalents</b>		
Cash float	2,200	600
Cash at bank	910,004	765,392
	<u>912,204</u>	<u>765,992</u>
<b>4. Trade and other receivables</b>		
Other receivables	55,888	30,892
	<u>55,888</u>	<u>30,892</u>
<b>5. Other current assets</b>		
Prepayment	5,854	5,893
	<u>5,854</u>	<u>5,893</u>
<b>6. Property, Plant and Equipment</b>		
Office furniture & equipment - at cost	46,566	46,566
Less: accumulated depreciation	(32,504)	(29,786)
	<u>14,062</u>	<u>16,780</u>
Office computer equipment – at cost	53,517	53,517
Less: accumulated depreciation	(49,785)	(46,530)
	<u>3,732</u>	<u>6,987</u>
Motor vehicle – at cost	14,686	14,686
Less: accumulated depreciation	(10,040)	(8,491)
	<u>4,646</u>	<u>6,195</u>
Total Property, Plant and Equipment	<u>22,440</u>	<u>29,962</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>7. Intangibles</b>		
Patents and trademarks	<u>5,750</u>	<u>5,750</u>
<b>8. Trade and other payables</b>		
CURRENT		
GST payable	29,334	62,808
Trade creditors	13,543	4,137
Other creditors and accruals	<u>43,005</u>	<u>27,715</u>
	<u>85,882</u>	<u>94,660</u>
<b>9. Provisions</b>		
CURRENT		
Employee benefits – Annual leave	79,465	70,430
NON-CURRENT		
Employee benefits – Long service leave	<u>55,067</u>	<u>49,761</u>
	<u>134,532</u>	<u>120,191</u>
<b>10. Reconciliation of net cash provided by operating activities to net profit from ordinary activities after income tax</b>		
Loss/surplus for the year	158,084	196,158
Depreciation and amortisation	13,832	10,117
<b>Changes in operating assets and liabilities</b>		
Decrease/(Increase) in trade and other receivables	(24,996)	(573)
Decrease/(Increase) in other current assets	39	(5,613)
Increase/(Decrease) in trade and other payables	(8,778)	37,478
Increase/(Decrease) in provision	<u>14,341</u>	<u>13,404</u>
<b>Cash inflow from operating activities</b>	<u>152,522</u>	<u>250,971</u>

**11. Bank guarantees**

The Pyjama Foundation Limited has provided a bank guarantee of \$30,892 as at 30 June 2016.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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	2016	2015
	\$	\$
<b>12. Member's guarantee</b>		
The Pyjama Foundation Limited is a company limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of the Company being wound up during the period of membership or within one year afterwards for payment the debts and liabilities of the Company contracted before the time at which membership ceases and the costs charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding the sum of \$100.		
<b>13. Contingencies</b>		
There were no material contingent liabilities as at 30 June 2016.		
<b>14. Operating lease commitments</b>		
Non-cancellable operating lease contracted for but not recognised in the financial statements:		
Payable – minimum lease payments		
- not later than 12 months	66,850	65,234
- between 12 months and five years	67,534	133,433
	<u>134,384</u>	<u>198,678</u>
<b>15. Subsequent Events</b>		
There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect substantially:		
(a) the company's operations in future financial years, or		
(b) the results of those operations in future financial years, or		
(c) the company's state of affairs in future financial years.		
<b>16. General information</b>		
The registered office of the company is: LG Solomon 16 Cox Road Windor Qld 4030		
The principal place of business is: Unit 7/10 Depot Street Banyo Qld 4014		
The financial report was authorised for issue, in accordance with a resolution of directors, on 28 October 2016. The directors have the power to amend and reissue the financial report.		

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**DIRECTORS' DECLARATION**

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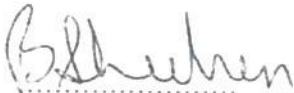
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out in the financial statements, present fairly the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and complying with the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*, and

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they due and payable.

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



Mrs Bronwyn Sheehan  
Director



Mr Jim Morrison  
Director

Dated this 28 day of October 2016



Audit Services

**Independent Auditor's Report  
to the members of  
The Pyjama Foundation Limited  
ABN 43 111 196 742**

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**Report on the Financial Report**

I have audited the accompanying financial statements, being a special purpose financial report of The Pyjama Foundation Limited comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory information, and the Director's Declaration.

**The Responsibility of the Directors for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001* and are appropriate to meet the need of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used as described in Note 1 are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

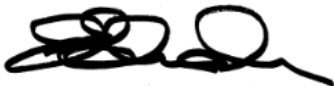
In conducting my audit, I have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*.

**Auditor's Opinion**

In my opinion the financial statements presently fairly, in all material respects, the financial position of The Pyjama Foundation Limited as at 30<sup>th</sup> June 2016 and of its financial performance and its cash flows for the year then ended are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001* and the Australian Accounting Standards to the extent that described in Note 1 to the financial statements.

**Emphasis of Matter**

I draw your attention to Note 1 to the financial statements, which described the basis of accounting. The auditor alerts users of the auditor's report that the financial report is prepared in accordance with a special purpose framework and therefore, may not be suitable for another purpose.



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**Robert Edwards B Com FCA**  
RCA# 6246  
Level One 180 Main Street  
Kangaroo Point Qld 4169

Dated: 28<sup>th</sup> October 2016