

TELCO TOGETHER FUND
A.B.N. 91 256 972 804

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

**TELCO TOGETHER FUND
A.B.N. 91 256 972 804**

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

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TELCO TOGETHER FUND

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TRUSTEES' REPORT

The Trustee presents its report together with the financial report of the Fund for the financial year ended 30 June 2016 and the auditor's report thereon.

Directors

The Trustee is Telco Together Foundation Limited. The names of the directors of the Trustee in office at any time during, or since the end of the financial year are:

Mr Vaughan Garfield Bowen
Ms Zaklina Jackie Solakovski
Mr David John Shewring
Mr Philip John Cornish

The above named Directors have held office during the whole of the financial year and since the end of the financial year unless otherwise stated.

Significant Changes in the State of Affairs

No significant changes in the Fund's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the Fund during the financial year was the development of industry-wide initiatives that leverage the technology, capabilities and reach of the telecommunications industry in support of disadvantaged communities within Australia.

Short-term and Long-term Objectives

The Fund's objectives are to provide support to disadvantaged communities within Australia.

Strategies

To achieve its objectives the Fund is focussed on developing collaborative projects that leverage the reach, technology and capabilities of the industry to provide funding, volunteers, or technology solutions to charities working with the community. The Fund measures its performance through the setting of an annual budget and plan of programs which is agreed by the Board of Directors. Financial performance and other non-financial measures are monitored by the Board quarterly.

Key Performance Measures

Through the strategic planning process the Directors, Advisory Board and members will develop Key Performance Measures to monitor the short and long term objectives of the Fund.

Events Subsequent to the End of the Reporting Period

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

TELCO TOGETHER FUND
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TRUSTEES' REPORT

Distributions

Distributions paid during the 2016 financial year are made to Deductible Gift Recipients (DGR) of \$391,085 (2015:\$162,450).

The fund is committed to distributing all fundraising income to eligible DGR entities, however due to the timing of revenue receipts these payments sometimes fall outside of the reporting period. A portion of fundraising income in the current reporting period will be distributed in the following year.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Fund and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Fund.

Environmental Regulation

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

Indemnification of Officers and Auditors

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Fund, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Fund.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of the Fund

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

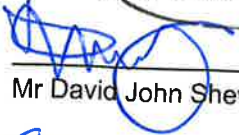
The Fund was not a party to any such proceedings during the year.

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

Director:


Mr Vaughan Garfield Bowen

Director:


Mr David John Shewring

Dated this 22nd day of September 2016

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

	Note	2016 \$	2015 \$
Revenue			
Other income	2	740,959	533,737
	2	<u>1,325</u>	<u>41,645</u>
Administrative costs		742,284	575,382
Accountancy expenses		(21,438)	(31,215)
Employee benefits expenses		(31,130)	(36,865)
Fundraising costs		(249,019)	(279,882)
Other expenses		(60,085)	(30,250)
Surplus from operations for the year	3	<u>380,612</u>	<u>141,073</u>
Distributions paid		(391,085)	(162,450)
(Deficit)/Surplus for the year		<u>(391,085)</u>	<u>(162,450)</u>
		<u>(10,473)</u>	<u>(21,377)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(10,473)</u>	<u>(21,377)</u>
Total comprehensive income attributable to the Fund		<u>(10,473)</u>	<u>(21,377)</u>

The accompanying notes form part of these financial statements.

TELCO TOGETHER FUND
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	138,213	54,745
Accounts and other receivables	5	19,483	109,770
Other current assets	6	2,061	2,029
TOTAL CURRENT ASSETS		<u>159,757</u>	<u>166,544</u>
TOTAL ASSETS		<u>159,757</u>	<u>166,544</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts and other payables	7	25,062	34,365
Provisions	8	27,917	20,285
TOTAL CURRENT LIABILITIES		<u>52,979</u>	<u>54,650</u>
NON-CURRENT LIABILITIES			
Provisions	8	9,728	4,371
TOTAL NON-CURRENT LIABILITIES		<u>9,728</u>	<u>4,371</u>
TOTAL LIABILITIES		<u>62,707</u>	<u>59,021</u>
NET ASSETS		<u>97,050</u>	<u>107,523</u>
TRUST FUNDS			
Trust capital	9	100	100
Accumulated surplus	10	96,950	107,423
TOTAL TRUST FUNDS		<u>97,050</u>	<u>107,523</u>

The accompanying notes form part of these financial statements.

TELCO TOGETHER FUND

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

		2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors		832,357	436,698
Payments to suppliers and employees		(359,148)	(413,341)
Interest received		1,325	2,512
Distributions paid		(391,085)	(162,450)
Receipts from customers		19	48,671
Net cash provided by/(used in) operating activities	14	<u>83,468</u>	<u>(87,910)</u>
Net increase (decrease) in cash held		83,468	(87,910)
Cash at beginning of financial year		54,745	142,654
Cash at end of financial year	4	<u><u>138,213</u></u>	<u><u>54,745</u></u>

The accompanying notes form part of these financial statements.

TELCO TOGETHER FUND
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STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

	Note Settled Sum \$	Accumulated Funds \$	Total \$
Balance at 30 June 2014			
Deficit	100	128,800	128,900
Balance at 30 June 2015		(21,377)	(21,377)
Deficit	100	107,423	107,523
Balance at 30 June 2016		(10,473)	(10,473)
	100	96,950	97,050

The accompanying notes form part of these financial statements.

TELCO TOGETHER FUND

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

1 Statement of Significant Accounting Policies

The financial statements cover Telco Together Fund as an individual entity. Telco Together Fund is a trust, established and domiciled in Australia.

Basis of Preparation

The Fund is not a reporting entity because in the opinion of the directors of the Trustee company there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trustee's reporting requirements under the Trust deed and the Australian Charities and Not-for-profits Commission Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Australian Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1054 'Australian Additional Disclosures' and AASB 1048 'Interpretation of Standards'.

The Fund is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 22 September 2016 by the directors of the Trustee company.

The following significant accounting policies have been adopted in the preparation of the financial statements.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Fund commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

TELCO TOGETHER FUND

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

Impairment of Assets

At the end of each reporting period, the Fund assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Fund estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members of the Telco Together Foundation as well as accounts receivable from the Australian Taxation Office. 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.

At the end of each reporting period, the carrying amount of receivables and other debtors are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Employee Benefits

Provision is made for the Fund's liability for employee benefits arising from services rendered by employees at 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 the 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. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

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

Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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.

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

Account Payables and Other Payables

Account payables and other payables represent the liabilities at the end of the reporting period for goods and services received by the Fund that remain unpaid.

Account payables are recognised at their transaction price. Accounts payables are obligations on the basis of normal credit terms.

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

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 in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Income Tax

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

Audit Services

Auditing services have been provided by Deloitte Touche Tohmatsu on a pro-bono basis.

The financial report was authorised for issue on 22 September 2016 by the directors of the trustee company.

TELCO TOGETHER FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
2 Revenue and Other Income		
Revenue		
Fundraising Income		
Fundraising Donations		
Fundraising Revenue	381,241	176,406
	<u>27,123</u>	<u>62,858</u>
	<u>408,364</u>	<u>239,264</u>
Donations		
Corporate Donations		
Other Donations	294,473	242,382
	<u>34,243</u>	<u>40,552</u>
	<u>328,716</u>	<u>282,934</u>
Other Revenue:		
Sponsorship Revenue		
Parental Leave Reimbursement	3,860	-
	<u>19</u>	<u>11,539</u>
	<u>3,879</u>	<u>11,539</u>
Total Revenue	<u>740,959</u>	<u>533,737</u>
Other Income		
Kilimanjaro Trip		
Interest Received	-	39,132
Total Other Income	<u>1,325</u>	<u>2,513</u>
	<u>1,325</u>	<u>41,645</u>

3 Surplus for the year

Surplus from continuing operations includes the following specific expenses:

Expenses

Employee benefits expense:

contributions to superannuation funds

20,299

21,913

4 Cash and Cash Equivalents

Cash in Hand

Cash at Bank

100

100

138,113

54,645

138,213

54,745

TELCO TOGETHER FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	<u>138,213</u>	<u>54,745</u>
	<u>138,213</u>	<u>54,745</u>
5 Account Receivables and Other Debtors		
Current		
Other Debtors		
Trade Debtors	385	-
GST	16,183	107,600
	<u>2,915</u>	<u>2,170</u>
	<u>19,483</u>	<u>109,770</u>
6 Other Non-Financial Assets		
Current		
Prepayments	<u>2,061</u>	<u>2,029</u>
7 Account Payables and Other Payables		
Current		
Accounts Payable	9,956	9,446
Other Creditors	7,714	16,876
Accrued Expenses	<u>7,392</u>	<u>8,043</u>
	<u>25,062</u>	<u>34,365</u>
8 Provisions		
Provision for Annual Leave	27,917	20,285
Provision for Long Service Leave	9,728	4,371
Total provisions	<u>37,645</u>	<u>24,656</u>
Analysis of Total Provisions		
Current	27,917	20,285
Non-current	<u>9,728</u>	<u>4,371</u>
	<u>37,645</u>	<u>24,656</u>

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

		2016	2015
		\$	\$
9	Trust Capital		
	Settlement Sum	100	100
		<u>100</u>	<u>100</u>
10	Accumulated Surplus		
	General Funds at the beginning of the financial year	107,423	128,800
	Net Deficit after Disbursements	(10,473)	(21,377)
	General Funds at the end of the financial year	<u>96,950</u>	<u>107,423</u>
11	Net Assets Attributable		
		General Funds	Total
		\$	\$
	Balance at 30 June 2014	128,800	128,800
	Deficit	(21,377)	(21,377)
	Balance at 30 June 2015	<u>107,423</u>	<u>107,423</u>
	Deficit	(10,473)	(10,473)
	Balance at 30 June 2016	<u>96,950</u>	<u>96,950</u>

12 Events After the Reporting Period

The Trustee is not aware of any significant events since the end of the reporting period.

13 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

TELCO TOGETHER FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
14 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Surplus/(Deficit) for the year		
Deficit for the year	(10,473)	(21,377)
Non-cash flows in profit		
Increase/(Decrease in Provisions)	12,338	14,335
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase)/Decrease in Receivables and Other Assets	90,257	(83,615)
Increase/(Decrease) in Payables	(8,654)	2,747
Net cash provided by/(used in) operating activities	83,468	(87,910)

15 Financial Risk Management

The Fund's financial instruments consist mainly of deposits with banks.

Financial Risk Management Policies

The Trustee's overall risk management strategy seeks to assist the Fund in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Trustee on a regular basis. These include the credit risk policies and future cash flow requirements.

The Fund does not have any derivative instruments at 30 June 2016.

16 Fund Details

The registered office and principal place of business of the Fund is Level 10 452 Flinders Street Melbourne Vic 3000 and its principal activities are philanthropic activities in accordance with the Trust deed.

TELCO TOGETHER FUND

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DIRECTORS' DECLARATION

As detailed in Note 1 the financial statements, the Fund is not a reporting entity because in the opinion of the directors of the Trustee company there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trustee's reporting requirements under the Trust deed and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012.

The directors of the Trustee company declare that:

- 1 The financial statements and notes of the Fund:
 - (i) presents fairly, in all material respects, the financial position of the Fund as at 30 June 2016 and its financial performance for the year then ended; and
 - (ii) comply with Accounting Standards to the extent described in Note 1 to the financial statements.

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

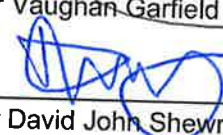
This declaration is made in accordance with a resolution of the Board of Directors of the Trustee company.

Trustee:

Director:


Mr Vaughan Garfield Bower

Director:


Mr David John Shewring

Dated this

2nd day of September 2016

Independent Auditor's Report to the Directors of the Trustee Company of Telco Together Fund

We have audited the accompanying financial report, being a special purpose financial report, of Telco Together Fund, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in funds for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration as set out on pages 3 to 15.

The Directors of the Trustee Company's 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, is appropriate to meet requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (the ACNC Act), the Trust Deed and the needs of the directors of the trustee company. The directors of the trustee company's responsibility also includes such internal control as the directors of the trustee determine is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the 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 judgement, 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 of the trustee, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Telco Together Foundation as at 30 June 2016 and its financial performance for the year then ended in accordance with the financial reporting requirements of the directors as described in Note 1.

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 to assist Telco Together Fund to meet the financial reporting requirements of the ACNC Act and the Trust Deed. As a result, the financial report may not be suitable for another purpose.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be 'Ryan Hansen', with a long horizontal line extending to the right.

Ryan Hansen
Partner
Chartered Accountants
Melbourne, 23 September 2016