Example ACNC registered Company Limited by Guarantee Not for Profit financial statements

Grant Thornton CLEARR Example Ltd

For the year ended 30 June 2014

Grant Thornton

An instinct for growth™

Contents

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Responsible Entities' Report

The Responsible Entities of Grant Thornton CLEARR Example Ltd ('Grant Thornton CLEARR') present their Report together with the financial statements of the consolidated entity, being Grant Thornton CLEARR ('the Company') and its controlled entities ('the Group') for the year ended 30 June 2014 and the Independent Audit Report thereon.

Director details

The following persons were Responsible Entities of Grant Thornton CLEARR during or since the end of the financial year.

Mr Blake Smith
B.Eng
Managing Director
Director since 2007

Blake has considerable experience in effecting commercial, strategic and cultural change within a large corporation. He has held national leadership roles as a member of the Business Council of Australia and past Chairman of ESAA.

Mr Simon Murphy
LLB (Hons)
Independent Non-Executive Director
Independent Chairman / Nomination and Remuneration Committee Chair and Member of Audit and Risk Committee
Director since 2010

Simon has broad international corporate experience with extensive operations in North America and Europe and diverse trading relationships in Asia. Simon is a qualified lawyer in Australia

Ms Beth King
CA, MBA
Independent Non-Executive Director
Audit and Risk Committee Chair and Member of the Nomination and Remuneration Committee
Director since 2005

Beth is a Chartered Accountant and brings more than 20 years broad financial and commercial experience, both local and international to Grant Thornton CLEARR.

Mrs Alison French
BA (Hons)
Chief Executive Officer
Director since 2009

Alison has significant experience over 25 years in the not-for-profit sector, including senior executive positions based in Australia, New Zealand and Asia plus regional responsibilities over many years throughout Africa and the Middle East.

Mr William Middleton
BEc, FCA
Independent Non-Executive Director
Member of the Nomination and
Remuneration Committee and member of
Audit and Risk Committee
Appointed 28 May 2014

William is the Principal of WM Associations,
a financial consulting and advisory firm

Principal activities

During the year, the principal activities of entities within the Group were to supply material aid to needy people in the community. Such activities included accommodation care, family support services, child care, aged care, youth and employment services.

There have been no significant changes in the nature of these activities during the year.

Short-term objectives

The Group's short-term objectives are to:

- offer community support services that develop wellbeing, resilience and transferable life skills;
- support underprivileged people by engaging all sectors of the community in ongoing partnerships and support programs; and
- be a recognised leader in the provision of community support services as evidenced by the success of programs and practices.

Long-term objectives

The Company's long term objectives are to:

- establish and maintain relationships that foster social inclusion and community reconnection for underprivileged people; and
- be sustainable and strive for continuous improvement so as to offer the best possible outcomes for the underprivileged people requiring our assistance.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Group had adopted the following strategies:

- the Entity strives to attract and retain quality staff and volunteers who are committed to working with underprivileged people in need, and this is evidenced by low staff turnover. The Entity believes that attracting and retaining quality staff and volunteers will assist with the success of the Entity in both the short and long term.
- staff and volunteers work in partnership with a range of community stakeholders, and this is evidenced by ongoing support of the Entity's projects and initiatives. The Group ensures community stakeholders understand and are committed to the objectives of the Group through ongoing education in order for the projects to succeed.
- staff and volunteers are committed to creating new and maintaining existing programs in support of the underprivileged people. Committed staff and volunteers allow the Entity the ability to engage in continuous improvement.

- the Entity's staff and volunteers strive to meet consistent standards of best practice and provide clear expectations of professional accountabilities and responsibilities to all stakeholders. This is evidenced by the performance of staff and volunteers who are assessed based on these accountabilities; and ensures staff are operating in the best interests of the underprivileged people and the Group.

Responsible Entities' meetings

The number of meetings of Responsible Entities (including meetings of Committees of Responsible Entities) held during the year and the number of meetings attended by each Responsible Entity were as follows:

	Board Meetings	
	A	B
Blake Smith		
Beth King		
Simon Murphy		
Alison French		
William Middleton		

Where:

- column A is the number of meetings the Responsible Entity was entitled to attend;
- column B is the number of meetings the Responsible Entity attended.

Contribution in winding up

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 $XX each towards meeting any outstanding obligations of the Entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the Company wound up is $XXX,XXX (2013: $XXX,XXX).

Auditors 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* is included in page 9 of this financial report and form part of the Responsible Entity's Report.

Signed in accordance with a resolution of the Responsible Entities.

Blake Smith
Responsible Entity

30 September 2014

Auditor's Independence Declaration

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To the Directors of Grant Thornton CLEARR Example Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Grant Thornton CLEARR Example Ltd for the year ended 30 June 2014,

I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

AB Partner
Partner – Audit & Assurance

Sydney, 30 September 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Revenue	5		
Other income	5		
Changes in inventories			
Costs of material			
Employee benefits expense	15.1		
Depreciation and amortisation expense			
Loss on sale of property, plant and equipment			
Forgiveness of loan			
Fundraising expenses			
Other expenses			
Surplus/(deficit) before income tax			
Income tax expense	4.11		
Surplus/(deficit) for the year			
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Net changes in fair value of Available for Sale financial assets, net of income tax			
Other comprehensive income for the period, net of income tax	**14**		
Total comprehensive income/(loss) for the period			

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2014

Assets	Notes	2014 $'000	2013 $'000
Current			
Inventories	10		
Trade and other receivables	11		
Other assets	12		
Cash and cash equivalents	13		
Current assets			
Non-current			
Trade and other receivables	11		
Property, plant and equipment	7		
Intangible assets	6		
Other financial assets	9.2		
Non-current assets			
Total assets			
Liabilities			
Current			
Provisions	15.2		
Trade and other payables	16		
Other liabilities	17		
Borrowings	18		
Current liabilities			
Non-current			
Provisions	15.2		
Non-current liabilities			
Total liabilities			
Net assets			
Equity			
Reserves	14		
Retained earnings			
Total equity			

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2014

	Notes	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2012				
Profit for the year				
Other comprehensive income	14			
Total comprehensive income for the year				
Balance at 30 June 2013				
Balance at 1 July 2013				
Profit for the year				
Other comprehensive income	14			
Total comprehensive income for the year				
Balance at 30 June 2014				

This statement should be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 $'000	2013 $'000
Operating services			
Receipts from:			
• Donations and appeals			
• Bequests			
• Government grants			
• Client contributions			
• Sale of goods			
• Dividend income			
• Interest income			
• Other income			
Payments to clients, suppliers and employees			
Net cash provided by operating activities	20		
Investing activities			
Purchase of property, plant and equipment			
Proceeds from disposals of property, plant and equipment			
Purchase of AFS investments			
Proceeds from disposals of AFS investments			
Net cash provided by / (used in) investing activities			
Financing activities			
Proceeds from bank loans			
Repayment of bank loans			
Net cash from / (used in) financing activities			
Net change in cash and cash equivalents			
Cash and cash equivalents, beginning of year			
Cash and cash equivalents, end of year	13		

This statement should be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements

1 Nature of operations

Grant Thornton CLEARR Example Ltd and subsidiaries' (the Group) principal activities were to supply material aid to needy people in the community. Such activities included accommodation care, family support services, child care, aged care, youth and employment services.

2 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Grant Thornton CLEARR Example Ltd is the Group's ultimate parent company. Grant Thornton CLEARR Example Ltd is a public company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 55 Pitt Street, Sydney, NSW, Australia.

The consolidated financial statements for the year ended 30 June 2014 were approved and authorised for issue by the board of Responsible Entities on 30 September 2014.

3 Changes in accounting policies

3.1 New and revised Standards that are effective for annual periods beginning on or after 1 January 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 13 *Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*.

The Group has applied AASB 13 for the first time in the current year, see Notes 9 and 25.

Amendments to AASB 119 *Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

These amendments have had no significant impact on the entity.

3.2 Accounting Standards issued but not yet effective and not been adopted early by the Group

Refer to the latest Grant Thornton TA Alert on accounting standards issued but not yet effective, available on our website (http://www.grantthornton.com.au/Publications/Tools-and-resources/Technical-publications/Local_Alerts.asp).

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2014. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions. Revenue from major products and services is shown in Note 5.

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities have been met. Details of the activity-specific recognition criteria are described below.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Government grants

A number of the Group's programs are supported by grants received from the federal, state and local governments.

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

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Group obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Group receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Client contributions

Fees charged for care or services provided to clients are recognised when the service is provided.

Donations and Bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the Group gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest and dividend income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

4.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.5 Intangible assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.8. The following useful lives are applied:

- software: 3-5 years.

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.6 Property, plant and equipment

Land

Land held for use in production or administration is stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, plant and other equipment

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- buildings: 25-50 years;
- plant and equipment: 3-10 years;
- leasehold improvements: life of lease;
- computer hardware: 3-7 years;
- motor vehicles: 4-10 years;
- office equipment: 3-13 years.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.7 Leases

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.8 Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.9 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at Fair Value Through Profit or Loss ('FVTPL');
- Held-To-Maturity ('HTM') investments
- Available-For-Sale ('AFS') financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the intention and ability to hold them until maturity. The Group currently holds long term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue' (see Note 4.3).

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.10 Inventories

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of the Group's charitable activities. Inventories may be purchased or received by way of donation.

Goods for resale

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Group where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

Goods held for distribution

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

4.11 Income taxes

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

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.13 Reserves

Other components of equity include the following:

- **Revaluation reserve** - comprises gains and losses from the revaluation of land (see Note 4.6);
- **AFS financial assets reserves** – comprises gains and losses relating to these types of financial instruments (see Note 4.9).

Retained earnings include all current and prior period retained profits.

4.14 Post-employment benefits and short-term employee benefits

The Group provides post-employment benefits through defined contribution plans.

Defined contribution plans

The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 *Presentation of Financial Statements*.

4.15 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.16 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

4.17 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 Tax 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 the expense. Receivables and payables 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 components of investing and financing activities, which are disclosed as operating cash flows.

4.18 Economic Dependence

The Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

4.19 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

5 Revenue

The Group's revenue may be analysed as follows for each major product and service category:

	2014 $'000	2013 $'000
Revenue		
Sale of goods		
Fundraising:		
Individuals		
Charitable foundations		
Corporate donors		
Government grants		
Donations		
Investment income:		
• Interest		
• Dividends		
Other income		
Net gain on disposal of property, plant & equipment		
Rent		

6 Intangible assets

Details of the Group's intangible assets and their carrying amounts are as follows:

	2014 $'000	2013 $'000
Acquired software licences		
Gross carrying amount		
Balance at 1 July 2013		
Addition, separately acquired		
Disposals		
Balance at 30 June 2014		
Amortisation and impairment		
Balance at 1 July 2013		
Amortisation		
Impairment losses		
Disposals		
Balance at 30 June 2014		
Carrying amount 30 June 2014		

All amortisation are included within depreciation and amortisation.

7 Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Land $'000	Buildings $'000	Plant & Equipment $'000	Capital WIP $'000	Total $'000
Gross carrying amount					
Balance 1 July 2013					
Additions					
Disposals					
Transfer					
Revaluation increase					
Balance 30 June 2014					
Depreciation and impairment					
Balance 1 July 2013					
Disposals					
Depreciation					
Balance 30 June 2014					
Carrying amount 30 June 2014					
Gross carrying amount					
Balance 1 July 2012					
Additions					
Disposals					
Transfer					
Balance 30 June 2013					
Depreciation and impairment					
Balance 1 July 2012					
Disposals					
Depreciation					
Balance 30 June 2013					
Carrying amount 30 June 2013					

All depreciation and impairment charges (or reversals if any) are included within 'depreciation and amortisation' and 'impairment of non-financial assets'.

The Group has a contractual commitment to construct buildings of $X,XXX,XXX payable in 2015 (2013: $X,XXX,XXX).

If the cost model had been used, the carrying amounts of the re-valued land would be $XX,XXX,XXX (2013: $XX,XXX,XXX).

8 Leases

8.1 Operating leases as lessee

The Group's future minimum operating lease payments are as follows:

	Minimum Lease Payments Due			
	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
30 June 2014				
30 June 2013				

Lease expense during the period amount to $X,XXX,XXX (2013: $X,XXX,XXX) representing the minimum lease payments.

The property lease commitments are non-cancellable operating leases with lease terms of between one and five years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

9 Financial assets and liabilities

9.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Notes	2014 $'000	2013 $'000
Financial assets			
HTM investments:			
• Long-term deposits	9.2		
AFS financial assets:			
• Securities	9.2		
Loans and receivables:			
Non-current:			
• Trade and other receivables	11		
Current:			
• Trade and other receivables	11		
• Cash and cash equivalents	13		
Financial liabilities			
Financial liabilities measured at amortised cost:			
Current:			
• Borrowings	18		
• Trade and other payables	16		

See Note 4.9 for a description of the accounting policies for each category of financial instruments. Information relating to fair values are presented in the related notes. A description of the Group's financial instrument risk, including risk management objectives and policies is given in Note 24.

9.2 Other long-term financial assets

Other long-term financial assets include the following investments:

	2014 $'000	2013 $'000
HTM investments:		
• Long-term deposits		
AFS financial assets:		
• Securities		
Other long-term financial assets		

9.3 Long-term deposits

HTM financial assets comprise long term deposits with fixed interest rates between X.X and X.X%. They mature in 2015 and 2016. The carrying amounts, measured at amortised cost, and fair values of these financial assets are as follows:

	2014 $'000	2013 $'000
Carrying amount at amortised cost:		
• Long term deposits		
Fair value:		
• Long term deposits		

These long-term deposits bonds are held with reputable financial institutions and fair values are based upon the amount that is deposited with the institution at their reporting date.

See Note 24 for information on the Group's exposure to credit risk related to the long-term deposits.

9.4 Securities

The carrying amounts of AFS financial assets are as follows:

	2014 $'000	2013 $'000
Listed equity securities		

These assets are stated at fair value. The equity securities are denominated in AUD and are publicly traded in Australia.

10 Inventories

Inventories consist of the following:

	2014 $'000	2013 $'000
At cost:		
• Inventory		
At current replacement cost:		
• Donated inventory		
Total		

11 Trade and other receivables

	2014 $'000	2013 $'000
Current		
Trade receivables, gross		
Provision for impairment		
Other receivables		
GST receivable		
Receivables due from related entities		
Non-current		
Other receivables		
Receivables due from related entities		

All amounts are short-term, except for a portion of the receivable from related entities. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The receivable due from ABC Charity relates to the remaining consideration due on the sale of an aged care facility in 2012.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $XX,XXX (2013: $X,XXX) has been recorded accordingly within other expenses. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

Reconciliation of allowance credit losses	2014 $'000	2013 $'000
Balance 1 July		
Amounts written off (uncollectable)		
Impairment loss		
Balance 30 June		

An analysis of unimpaired trade receivables that are past due is given in Note 24.2.

The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is $Nil (2013: $Nil).

12 Other assets

Other assets consist the following:

	2014 $'000	2013 $'000
Current		
Prepayments		
Accrued income		

13 Cash and cash equivalents

Cash and cash equivalents consist the following:

	2014 $'000	2013 $'000
Cash on hand		
Cash at bank		
Short term deposits		
Cash and cash equivalents		

13.1 Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

	Note	2014 $'000	2013 $'000
Cash and cash equivalents			
Bank overdrafts	18		

14 Reserves

The details of reserves are as follows:

	Asset Revaluation Reserve $'000	AFS Financial Assets Reserve $'000	Total $'000
Balance at 1 July 2012			
Other comprehensive income for the year:			
AFS financial assets:			
• Current year gains			
Revaluation of land			
Before income tax			
Income tax benefit / (expense)			
Net of income tax			
Balance at 30 June 2013			
Balance at 1 July 2013			
Other comprehensive income for the year:			
AFS financial assets:			
• Current year gains			
• Reclassification to profit or loss			
Revaluation of land			
Before income tax			
Income tax benefit / (expense)			
Net of tax			
Balance at 30 June 2014			

15 Employee remuneration

15.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2014 $'000	2013 $'000
Wages, salaries		
Workers compensation insurance		
Superannuation – defined contribution plans		
Employee benefit provisions		
Employee benefits expense		

15.2 Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	2014 $'000	2013 $'000
Non-current:		
• Long service leave		
Current:		
• Annual leave		
• Long service leave		

16 Trade and other payables

Trade and other payables recognised consist of the following:

	2014 $'000	2013 $'000
Current:		
• Trade payables		
• Other creditors and accruals		
• Trusts funds		
Total trade and other payables		

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

17 Other liabilities

Other liabilities can be summarised as follows:

	2014 $'000	2013 $'000
Deferred income		
Other liabilities - current		

Deferred income consists of government grants received in advance for services to be rendered by the Group. Deferred income is amortised over the life of the contract.

18 Borrowings

Borrowings consist of the following:

	2014 $'000	2013 $'000
Bank overdraft		
Borrowings - current		

19 Auditor remuneration

	2014 $	2013 $
Audit and review of financial Statements		
• Auditors of Grant Thornton CLEARR – Grant Thornton Australia		
Other services		
• Auditors of Grant Thornton CLEARR – Grant Thornton Australia		
• Taxation compliance		
Total Auditor's remuneration		

20 Reconciliation of cash flows from operating activities

	2014 $'000	2013 $'000
Cash flows from operating activities		
Net surplus / (deficit) for the period		
Non-cash flows in operating surplus / (deficit):		
• Depreciation and amortisation		
• Loss / (profit) on sales of property, plant and equipment		
• Loan forgiveness		
• Other		
Net changes in working capital:		
• Change in inventories		
• Change in trade and other receivables		
• Change in other assets		
• Change in trade and other payables		
• Change in other liabilities		
• Change in provisions		
Net cash from operating activities		

21 Related party transactions

The Group's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

21.1 Transactions with related entities

On 6 March 2014, the Board agreed to partially forgive $X million of the loan receivable owed by ABC Charity. This has been reflected as a forgiveness of debt within the statement of profit or loss and other comprehensive income.

21.2 Transactions with key management personnel

Key management of the Group are the executive members of Grant Thornton CLEARR's Board of Responsible Entities and members of the executive council. Key management personnel remuneration includes the following expenses:

	2014 $	2013 $
Short term employee benefits		
Post-employment benefits		
Long-term employee benefits		
Total remuneration		

The Group used the legal services of one Responsible Entity in the company and the law firm over which he exercises significant influence. The amounts billed were based on normal market rates and amounted to $XX,XXX (2013: $Nil). There were no outstanding balances at the reporting dates under review.

22 Contingent liabilities

There are no contingent liabilities that have been incurred by the Group in relation to 2013 or 2012.

23 Capital commitments

	2014 $'000	2013 $'000
Land & Buildings		

Capital commitments are for construction of various buildings where funds have been committed but the work on buildings has not yet commenced.

24 Financial instrument risk

24.1 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 9.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Responsible Entities, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

24.2 Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk and certain other price risks, which result from both its operating and investing activities.

24.3 Interest rate sensitivity

At 30 June 2014, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in short and long term deposits all pay fixed interest rates.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- X.XX% (2013: +/- X.XX%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the Year $'000		Equity $'000	
	+X.X%	-X.X%	+X.X%	-X.X%
30 June 2014				
30 June 2013				

24.4 Other price risk sensitivity

The Group is exposed to other price risk in respect of its listed equity securities (see Note 9.2).

For the listed equity securities, an average volatility of XX% has been observed during 2014 (2013: XX%). This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for these securities increased or decreased by that amount, other comprehensive income and equity would have changed by $XX,XXX (2013: $XX,XXX). The listed securities are classified as available-for-sale, therefore no effect on profit or loss would have occurred.

24.5 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investment in bonds etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2014 $'000	2013 $'000
Classes of financial assets		
Carrying amounts:		
• Long-term deposits		
• Cash and cash equivalents		
• Trade and other receivables		

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Some of the unimpaired trade and other receivables are past due as at the reporting date. Information on financial assets past due but not impaired are as follows:

	2014 $'000	2013 $'000
Gross amount		
Not more than 30 days		
More than 30 days but not more than 60 days		
More than 60 days but not more than 90 days		
More than 90 days		
Total		

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and long-term deposits (HTM investments, see Note 9.2) is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these instruments.

24.6 Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring its forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling XX-day projection. Long-term liquidity needs for a XXX-day and a XXX-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for XX-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 9) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within X months, except amount receivable from ABC Charity within XX months.

As at 30 June 2014, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-current	
30 June 2014	**Within 6 months $'000**	**6 to 12 months $'000**	**1 to 5 years $'000**	**Later than 5 years $'000**
Borrowings				
Trade and other payables				
Total				

This compares to the maturity of the Group's financial liabilities in the previous reporting period as follows:

	Current		Non-current	
30 June 2013	**Within 6 months $'000**	**6 to 12 months $'000**	**1 to 5 years $'000**	**Later than 5 years $'000**
Other bank borrowings				
Trade and other payables				
Total				

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

25 Fair value measurement

25.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2014 and 30 June 2013:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2014				
Assets				
Listed securities				
Net fair value				
30 June 2013				
Assets				
Listed securities				
Net fair value				

There were no transfers between Level 1 and Level 2 in 2014 or 2013.

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

25.2 Fair value measurement of non-financial instruments

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 June 2014:

30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Property, plant and equipment:				
• Land				

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Responsible Entities and audit committee at each reporting date.

Further information about the valuation of the land is set out below.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use. In 2014, a negative adjustment of X.X% was incorporated for these factors. The land was revalued on 23 May 2014. The land was previously revalued in May 2012.

The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

	PP&E Land $'000
Balance at 1 July 2013	
Additions	
Gains recognised in other comprehensive income:	
• Revaluation of land	
Balance at 30 June 2014	

26 Capital management policies and procedures

Management controls the capital of the Group to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and management ensure that the overall risk management strategy is in line with this objective.

The Group's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control capital of the Group since the previous year.

27 Parent Entity information

Information relating to Grant Thornton CLEARR Example Ltd ('the Parent Entity'):

	2014 $'000	2013 $'000
Statement of financial position		
Current assets		
Total assets		
Current liabilities		
Total liabilities		
Net assets		
Retained earnings		
Statement of profit or loss and other comprehensive income		
Surplus for the year		
Other comprehensive income		
Total comprehensive income		

The Parent Entity has capital commitments of $X.Xm in relation to building improvements (2013: $Nil). Refer Note 23 for further details of the commitment.

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

28 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

29 Member's guarantee

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 $XX each towards meeting any outstanding obligations of the Entity. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company wound up is $XXX,XXX (2013: $XXX,XXX).

Responsible Entities' Declaration

1. In the opinion of the Responsible Entities' of Grant Thornton CLEARR Example Ltd:

   a. The consolidated financial statements and notes of Grant Thornton CLEARR Example Ltd are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

      i. Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*, and

   b. There are reasonable grounds to believe that Grant Thornton CLEARR Example Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities:

Responsible Entity
Blake Smith

Dated the 30th day of March 2014

Independent Auditor's Report

An independent auditor's report will be prepared by the entity's auditor in accordance with Australian Auditing Standards. This publication does not include an illustrative report as the wording of the report may differ between entities.