

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Financial Statements

For the Year Ended 30 June 2011

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

For the Year Ended 30 June 2011

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Lifestart Co-operative Ltd and Controlled Entity

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Directors' Report

For the Year Ended 30 June 2011

Your directors present their report on the Co-operative and its controlled entity for the financial year ended 30 June 2011.

Information on directors

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

Mr Andrew J Wilson

Qualifications

B.Com (Marketing); LLB; LLM; FAICD

Experience

25 years experience as a lawyer; Director - Robust Resources Ltd; Director - Society for the Provision of Services to Needy or Neglected Children; formerly Company Secretary BHP Engineering Group and President BHP Billiton Indonesia.

Mr R Bruce Corlett AM

Qualifications

Resigned 26/8/2010. Reappointed 19/10/2010

Experience

BA; LLB.

Trained as a lawyer but has spent much of his vocational life in the commercial world. Has been a director of many publicly listed companies for over 35 years.

Current commercial roles include The Trust Company (Chair), Servcorp Ltd (Chair), Australian Maritime Systems Ltd (Chair), Fortius Funds Management (Chair).

Has had a lifetime involvement in the community and not for profit sector including Fellow of Senate - University of Sydney, Microsearch Foundation of Australia (Chair).

Current roles in the third sector include Mark Tonga Relief Foundation (Chair) and Ambassador - Australian Indigenous Education Foundation.

Ms Marion Trabe

Qualifications

Masters Degree in Communication; Postgrad Certificate in Management; Cert IV in Training and Assessment

Experience

Marketing professional with international experience across direct marketing and product management; 3 years as director of Lifestart Co-operative Ltd. Currently working as a Business Trainer.

Mr David McSporrان

Qualifications

Resigned 31/3/2011

Experience

B.Bus; Grad Dip ED (Primary)

4 years Lend Lease Financial Services; 13 years school teacher and 8 years Assistant Principal.

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Directors' Report

For the Year Ended 30 June 2011

Information on directors (continued)

Mr George Green

Qualifications

BA; Dip Ed Admin; MA

Experience

43 years as teacher, Inspector of schools and senior officer of Department of Education; Consultant for NSW Department of Education and Training, Department of Community Services and Department of Ageing Disability and Home Care; extensive experience in the delivery of programs for children and adults with disability; 21 years as a Rotarian; Chairman of Pennant Hills Neighbour Aid.

Mr Patrick Rooney

Qualifications

Dip. Law (SAB); Master of Laws - Corporate and Commercial Law (UNSW)

Experience

3 years in May 2010 as Barrister at the NSW Bar; before the NSW Bar - over 9 years practising as a Solicitor in Law practice which includes advising clients on duties and obligations as company directors; has a brother with intellectual disabilities; has a daughter with a disability.

Mr Brooks Wilson

Qualifications

MBA (Harvard); B.Ec. (Sydney)

Experience

29 years Managing Director of Koppers Australia P/L; 11 years Board of Directors Koppers USA; 6 years chairperson of Board of Directors for Knox Grammar School; 5 years Chairperson of Opportunity International; Board member State Transit Authority of NSW.

Ms Maha El-Dimachki

Qualifications

Appointed 17/11/2010

Experience

B. Commerce - Marketing, Diploma of Management
15 years experience banking and finance, 10 years in Treasury management/Working Capital Services covering clients in the Commercial and Corporate & Institutional space. Particular coverage of Multinational corporate and ASX top 100. Manages a National team of Corporate Treasury Sales. APRA Responsible Manager for BofAML, APCA Responsible Officer for BofAML. Has a son with Autism Spectrum Disorder.

Dr Kathy Cologon

Qualifications

Appointed 17/11/2010

Experience

BA (Psychology, Inclusive Education); MECh: PhD.
Lecturer and researcher at the Institute of Early Childhood, Macquarie University.

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

Lifestart Co-operative Ltd and Controlled Entity

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Directors' Report

For the Year Ended 30 June 2011

Principal Activities

The principal activities of the consolidated group during the financial year were the provision of family focused, community based, direct service delivery of early childhood intervention and school age services programs for children with intellectual disabilities and developmental delay.

No significant change in the nature of these activities occurred during the year.

Operating Results

The operating surplus of the consolidated group amounted to \$650,739.

The disposal of a property owned by the controlled entity, Lifestart Corporation Limited, resulted in a net gain of \$337,909.

Review of Operations

The results from the financial year ended 30 June 2011 continue to show the generous support of the NSW government, and through fundraising, the generosity and commitment of the Lifestart parents, their friends, sponsors and staff, in supporting the financial stability of Lifestart.

The directors of Lifestart are confident that the consolidated group is responsibly managed and remain optimistic about the future of Lifestart. The Board, in conjunction with the CEO, constantly monitors progress against budget each month or more frequently where required. The Board is committed to the future sustainability of the whole of Lifestart and financial decisions are made for the benefit of the organisation.

Dividends Paid or Declared

The Co-operative's constitution prohibits the payment of any dividends.

Significant Changes in State of Affairs

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

Future Developments

Lifestart will continue to provide services which reflect changing policy in meeting the needs of children with disability or delay and their families.

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Directors' Report

For the Year Ended 30 June 2011

After Balance Date Events

Subsequent to balance date, action was taken to deregister the controlled entity, Lifestart Corporation Limited. Advice has been received from ASIC that the company was deregistered on 8 September 2011.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in future financial years.

Environmental Issues

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out at page 6.

Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Andrew J Wilson	8	8	2	2
Mr R Bruce Corlett	7	6	2	2
Ms Marion Trabe	8	8	-	-
Mr David McSparran	8	5	-	-
Mr George Green	8	6	-	-
Mr Patrick Rooney	8	7	-	-
Mr Brooks Wilson	8	7	-	-
Ms Maha El-Dimachki	5	3	-	-
Dr Kathy Cologon	5	2	-	-

Indemnifying Officers or Auditors

The Co-operative has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers, other than conduct involving a wilful breach of duty in relation to the consolidated group. Officers indemnified include the secretary, all directors and all executive officers participating in the management of the consolidated group. Further disclosure is prohibited under the terms of the contract.

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Directors' Report

For the Year Ended 30 June 2011

Proceedings on Behalf of the Consolidated Group

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

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

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

Director:
Andrew J Wilson

Director:
R Bruce Corlett

Dated this day of September 2011

Lifestart Co-operative Ltd and Controlled Entity

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Priestley & Morris
Chartered Accountants

P A Cordwell
Partner

Level 7
3 Horwood Place
Parramatta NSW 2150

Dated this day of September 2011

Lifestart Co-operative Ltd and Controlled Entity

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Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	Consolidated Group		Lifestart Co-operative Ltd	
		2011	6 months 2010	2011	6 months 2010
		\$	\$	\$	\$
Revenue	2	4,420,653	2,037,604	4,336,955	2,029,569
Employee benefits expense		(2,701,389)	(1,285,043)	(2,701,389)	(1,285,043)
Fundraising expenses		(228,353)	(138,340)	(228,353)	(138,340)
Depreciation expense	3	(65,807)	(36,339)	(62,244)	(32,776)
Occupancy costs		(155,940)	(90,083)	(155,940)	(90,083)
Administration and office expenses		(198,526)	(111,287)	(195,776)	(115,471)
Insurance expense		(51,363)	(27,070)	(51,363)	(27,070)
Property expenses		(6,134)	(2,796)	-	-
Other expenses		(358,315)	(123,394)	(291,340)	(117,534)
Surplus before income tax		654,826	223,252	650,550	223,252
Income tax expense		(4,087)	-	-	-
Surplus for the year		650,739	223,252	650,550	223,252
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		650,739	223,252	650,550	223,252

The accompanying notes form part of these financial statements

Lifestart Co-operative Ltd and Controlled Entity

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Statement of Financial Position

As at 30 June 2011

	Note	Consolidated Group		Lifestart Co-operative Ltd	
		2011	2010	2011	2010
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	2,657,260	1,591,618	2,657,256	1,591,618
Trade and other receivables	5	34,652	22,164	34,652	20,244
Other assets	6	48,049	27,438	48,049	27,438
Total current assets		2,739,961	1,641,220	2,739,957	1,639,300
Non-current assets					
Trade and other receivables	5	-	-	-	603,580
Property, plant and equipment	7	306,906	903,533	306,906	298,753
Total non-current assets		306,906	903,533	306,906	902,333
TOTAL ASSETS		3,046,867	2,544,753	3,046,863	2,541,633
LIABILITIES					
Current liabilities					
Trade and other payables	8	333,606	381,513	336,873	378,393
Current tax payable	9	3,082	-	-	-
Provisions	10	77,120	48,200	77,120	48,200
Other current liabilities	11	424,773	549,603	424,773	549,603
Total current liabilities		838,581	979,316	838,766	976,196
Non-current liabilities					
Provisions	10	84,310	92,200	84,310	92,200
Total non-current liabilities		84,310	92,200	84,310	92,200
TOTAL LIABILITIES		922,891	1,071,516	923,076	1,068,396
NET ASSETS		2,123,976	1,473,237	2,123,787	1,473,237
EQUITY					
Reserves	12	151,000	151,000	151,000	151,000
Retained earnings		1,972,976	1,322,237	1,972,787	1,322,237
TOTAL EQUITY		2,123,976	1,473,237	2,123,787	1,473,237

The accompanying notes form part of these financial statements

Lifestart Co-operative Ltd and Controlled Entity

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Statement of Changes in Equity

For the Year Ended 30 June 2011

2011	Lifestart Co-operative Ltd			
	Retained Earnings	Development Fund Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2010	1,322,237	151,000	-	1,473,237
Surplus for the year	650,550	-	-	650,550
Balance at 30 June 2011	1,972,787	151,000	-	2,123,787

2010	Lifestart Co-operative Ltd			
	Retained Earnings	Development Fund Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2010	1,098,985	151,000	49,265	1,299,250
Surplus for the 6 months	223,252	-	-	223,252
Capital grant transferred from general reserve to: - surplus	-	-	(49,265)	(49,265)
Balance at 30 June 2010	1,322,237	151,000	-	1,473,237

2011	Consolidated Group			
	Retained Earnings	Development Fund Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2010	1,322,237	151,000	-	1,473,237
Surplus for the year	650,739	-	-	650,739
Balance at 30 June 2011	1,972,976	151,000	-	2,123,976

2010	Consolidated Group			
	Retained Earnings	Development Fund Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2010	1,098,985	151,000	49,265	1,299,250
Surplus for the 6 months	223,252	-	-	223,252
Capital grant transferred from general reserve to: - surplus	-	-	(49,265)	(49,265)
Balance at 30 June 2010	1,322,237	151,000	-	1,473,237

The accompanying notes form part of these financial statements

Lifestart Co-operative Ltd and Controlled Entity

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Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	Consolidated Group		Lifestart Co-operative Ltd	
		2011	6 months 2010	2011	6 months 2010
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from stakeholders		3,843,781	2,234,121	4,046,851	2,219,012
Payments to suppliers and employees		(3,746,320)	(1,550,229)	(3,664,074)	(1,535,120)
Interest received		101,645	22,784	87,180	22,784
Finance costs		(1,188)	-	(1,188)	-
Income taxes paid		(1,005)	-	-	-
Net cash provided by operating activities	13	196,913	706,676	468,769	706,676
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property		939,126	-	-	-
Payment for property, plant & equipment		(70,397)	(68,862)	(70,397)	(68,862)
Net cash provided by/(used in) investing activities		868,729	(68,862)	(70,397)	(68,862)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Loan to controlled entity:					
- proceeds from repayments		-	-	676,087	-
- payments made		-	-	(8,821)	-
Net cash provided by financing activities		-	-	667,266	-
Net increase in cash held		1,065,642	637,814	1,065,638	637,814
Cash at beginning of financial year		1,591,618	953,804	1,591,618	953,804
Cash at end of financial year	4	2,657,260	1,591,618	2,657,256	1,591,618

The accompanying notes form part of these financial statements

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements include the consolidated financial statements and notes of Lifestart Co-operative Ltd (the Co-operative) and controlled entity (Consolidated Group) and the separate financial statements and notes of Lifestart Co-operative Ltd as an individual entity.

Lifestart Co-operative Ltd is a co-operative incorporated and domiciled in Australia.

1 Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the Consolidated Group is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Co-operatives Act 1992 (NSW).

The financial statements have been prepared in accordance with the requirements of the Co-operatives Act 1992 (NSW) and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of these statements are as follows:

Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the entity controlled by Lifestart Co-operative Ltd at the end of the reporting period. A controlled entity is an entity over which Lifestart Co-operative Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Consolidated Group have been eliminated on consolidation.

(b) Revenue and Other Income

Revenue is recognised when the right to receive the revenue has been established.

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).

(c) Grants Received

Grant revenue is recognised in the statement of 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.

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(c) Grants Received (continued)

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.

Capital Grants

Capital grants are brought to account as reserves. Capital grants are recognised as income when assets are purchased. Assets purchased are capitalised and depreciated over their useful lives except for minor items which are written off.

(d) Property, Plant and Equipment

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

Property

Freehold land and building are measured on a cost basis. However the allocation of the cost between land and building has been based on the Valuer General's 31 December 2002 valuation of the land.

The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount from the assets.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	7.5% - 33%

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

The assets' residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's 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.

(e) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(f) Financial Instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

(g) Impairment of Assets

At the end of each reporting period, the Consolidated Group reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income

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

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(h) Employee Benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(j) 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). 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

Lifestart Co-operative Ltd is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Lifestart Corporation Limited is not exempt from income tax and is liable for the tax payable on its taxable income.

The income tax expense for the year comprises current income tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

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Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(l) Trade payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Consolidated Group 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 liabilities.

(m) Comparative figures

The comparatives for 2010 are for a six month period as the Consolidated Group changed its financial year end from 31 December 2010 to 30 June 2010.

(n) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key estimates - Impairment

The Consolidated Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the group that may be indicative of impairment triggers.

Key judgments - Doubtful debts provision

Provision for impairment of receivables has been raised as per Note 5.

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	6 months 2010	2011	6 months 2010
	\$	\$	\$	\$
2 Revenue				
- grants and other funding received	2,827,255	1,288,667	2,827,255	1,288,667
- services revenue	335,981	152,501	335,981	152,501
- capital grants transferred from reserves	-	49,265	-	49,265
- fundraising activities	551,691	422,869	551,691	422,869
- rental income	13,174	10,920	-	-
- interest received	101,645	22,784	87,180	22,784
- donations	176,093	47,301	453,593	47,301
- net gain on disposal of property	337,909	-	-	-
- other revenue	76,905	43,297	81,255	46,182
Total Revenue	4,420,653	2,037,604	4,336,955	2,029,569
3 Profit				
(a) Expenses				
Depreciation of property, plant and equipment	65,807	36,339	62,244	32,776
Remuneration of auditor				
- audit services	17,290	13,087	17,290	10,320
Interest paid - other persons	1,188	-	1,188	-
Rental expense on operating leases				
- minimum lease payments	102,313	55,484	102,313	55,484
Impairment losses:				
- bad debts written off	27,786	15,033	27,786	15,033
- impairment of receivables to recoverable amount	-	3,127	-	10,078
(b) The result for the year includes the following significant revenue				
Donation from controlled entity	-	-	277,500	-
Net gain on disposal of property	337,909	-	-	-
Provision for impairment of amount receivable from controlled entity written back	-	-	63,686	-

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	2010	2011	2010
	\$	\$	\$	\$
4 Cash and Cash Equivalents				
Cash on hand	148	138	148	138
Cash at bank	1,657,112	1,091,480	1,657,108	1,091,480
Short-term bank deposits	1,000,000	500,000	1,000,000	500,000
	2,657,260	1,591,618	2,657,256	1,591,618
5 Trade and Other Receivables				
CURRENT				
Receivables	39,948	31,409	39,948	31,409
Provision for impairment of fees receivable	(11,885)	(18,355)	(11,885)	(18,355)
	28,063	13,054	28,063	13,054
Other receivables	6,589	9,110	6,589	7,190
	34,652	22,164	34,652	20,244
NON-CURRENT				
Amount receivable from controlled entity				
- Lifestart Corporation Limited	-	-	-	667,266
Provision for impairment of receivables	-	-	-	(63,686)
	-	-	-	603,580
6 Other Assets				
CURRENT				
Prepayments	48,049	27,438	48,049	27,438

Lifestart Co-operative Ltd and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	2010	2011	2010
	\$	\$	\$	\$
7 Property, Plant and Equipment				
LAND AND BUILDING				
Freehold land				
At cost (Note 1 (d))	-	375,000	-	-
Building				
At cost (Note 1(d))	-	285,000	-	-
Less accumulated depreciation	-	(55,220)	-	-
Total building	-	229,780	-	-
Total land and building	-	604,780	-	-
PLANT AND EQUIPMENT				
Leasehold Improvements				
At cost	225,900	208,440	225,900	208,440
Less accumulated depreciation	(21,110)	(5,781)	(21,110)	(5,781)
Total Leasehold Improvements	204,790	202,659	204,790	202,659
Office equipment				
At cost	448,761	395,824	448,761	395,824
Less accumulated depreciation	(346,645)	(299,730)	(346,645)	(299,730)
Total plant and equipment	102,116	96,094	102,116	96,094
Total property, plant and equipment	306,906	903,533	306,906	298,753
8 Trade and Other Payables				
CURRENT				
Unsecured liabilities				
Trade payables	143,207	52,023	143,207	48,903
Amount payable to controlled entity - Lifestart Corporation Limited	-	-	3,267	-
Employee benefits - annual leave entitlements	108,619	84,592	108,619	84,592
Sundry payables and accrued expenses	81,780	244,898	81,780	244,898
	333,606	381,513	336,873	378,393

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	2010	2011	2010
	\$	\$	\$	\$
9 Tax				
Income tax payable	3,082	-	-	-
Current tax liabilities	3,082	-	-	-
10 Provisions				
CURRENT				
Employee benefits - long service leave entitlements	77,120	48,200	77,120	48,200
NON-CURRENT				
Employee benefits - long service leave entitlements	84,310	92,200	84,310	92,200
11 Other Liabilities				
CURRENT				
Deferred income	424,773	549,603	424,773	549,603

12 Reserves

(a) Development Fund Reserve

The Development Fund Reserve records funds set aside for future expansion of Lifestart Co-operative Ltd.

(b) General Reserve

The General Reserve records funds set aside for the balance of renovations to Ramsay Road, Pennant Hills.

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	6 months 2010	2011	6 months 2010
	\$	\$	\$	\$
13 Cash Flow Information				
Reconciliation of cash flow from operating activities with profit				
Surplus	650,739	223,252	650,550	223,252
Non-cash flows in surplus				
Depreciation	65,807	36,339	62,244	32,776
Capital grant transferred from reserves to surplus	-	(49,265)	-	(49,265)
Provision for doubtful debts written back	-	-	(63,686)	-
Net gain on disposal of property	(337,909)	-	-	-
Changes in assets and liabilities				
Increase in trade and other receivables	(12,488)	(16,082)	(14,408)	(13,320)
(Increase)/decrease in other assets	(20,611)	11,195	(20,611)	11,195
Increase in income taxes payable	3,082	-	-	-
(Decrease)/increase in trade and other payables	(47,907)	191,062	(41,520)	191,863
(Decrease)/increase in other liabilities	(124,830)	287,775	(124,830)	287,775
Increase in provisions	21,030	22,400	21,030	22,400
Cash from operating activities	196,913	706,676	468,769	706,676

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated Group		Lifestart Co-operative Ltd	
	2011	2010	2011	2010
	\$	\$	\$	\$
14 Capital and Leasing Commitments				
Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements				
Payable - minimum lease payments				
- not later than 12 months	144,380	133,140	144,380	133,140
- between 12 months and 5 years	213,956	191,045	213,956	191,045
- greater than 5 years	7,395	7,395	7,395	7,395
	<u>365,731</u>	<u>331,580</u>	<u>365,731</u>	<u>331,580</u>

The leases relate to rental of premises and photocopiers.

15 Controlled Entity

The controlled entity is Lifestart Corporation Limited - a company limited by guarantee and incorporated in Australia. Lifestart Co-operative Ltd controls Lifestart Corporation Limited on the basis that it has the power to govern the financial and operating policies of Lifestart Corporation Limited arising from a majority of common directors.

16 Events after the end of the Reporting Period

The controlled entity, Lifestart Corporation Limited, was deregistered on 8 September 2011.

17 Co-operative Details

The registered office of the Co-operative is:

78c Charles Street
PUTNEY NSW 2112

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Information to be furnished under the Charitable Fundraising Act 1991

Fundraising Events and Appeals conducted during the financial year:

Comparisons by Monetary Figures and Percentages

	2011		6 months 2010	
	\$	%	\$	%
Total costs of fundraising/ Gross income from fundraising	228,353/ 551,691		138,340/ 422,869	33
Net surplus from fundraising/ Gross income from fundraising	323,338/ 551,691		284,529/ 422,869	67
Total cost of services/ Total expenditure	3,458,052/ 3,686,405		1,667,973/ 1,806,317	92
Total costs of services/ Total income received	3,458,052/ 4,336,955		1,667,973/ 2,029,569	82

Details of Aggregate Gross Proceeds and Total Costs of Fundraising Appeals

Gross Proceeds from Fundraising

	2011	6 months 2010
	\$	\$
Kayak for Kids	217,675	236,145
Area Trivia Nights	31,407	10,279
Christmas in July	35,695	-
Spring Carnival	77,898	-
Concert	35,177	-
Play for Kids	17,877	-
Charity dinner	97,152	96,209
Appeals	12,648	9,790
Wine and Cheese Party	-	66,580
Area Fundraising	26,162	-
Various Other Fundraising Events	-	3,866
Total	551,691	422,869

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Information to be furnished under the Charitable Fundraising Act 1991 (continued)

Total Costs of Fundraising

	2011	6 months 2010
	\$	\$
Kayak for Kids	62,688	34,519
Area Trivia Nights	6,577	1,539
Christmas in July	10,999	-
Spring Carnival	26,059	-
Concert	3,533	-
Play for Kids	9,331	-
Charity Dinner	57,985	40,526
Appeals	3,869	2,814
Area Fundraising	4,417	-
Various Other Fundraising Events	-	5,306
Head Office expenses - employee costs	42,895	53,636
	228,353	138,340
Net surplus from fundraising	323,338	284,529

Statement showing how funds received were applied

During the year ended 30 June 2011, the net surplus from fundraising events appeals of \$323,338 was spent on direct services.

Other revenue amounting to \$3,785,264 was provided from government and other grants, donations, membership fees, interest received and other sundry revenue.

The surplus of \$650,550 of Lifestart Co-operative Ltd at the end of the year was transferred to retained earnings.

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Directors' Declaration

The directors have determined that the Co-operative and the Consolidated Group are not reporting entities and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors declare that:

1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the Co-operatives Act 1992 (NSW) and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance of the Co-operative and the Consolidated Group for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Co-operative and the Consolidated Group will be able to pay their debts as and when they become due and payable.

Compliance with Section 24 of the Charitable Fundraising Act 1991 and the Authority Conditions:

The directors also declare that:

- (a) the statement of comprehensive income of Lifestart Co-operative Ltd gives a true and fair view of all income and expenditure with respect to fundraising appeals;
- (b) the statement of financial position of the parent entity gives a true and fair view of the state of affairs of Lifestart Co-operative Ltd with respect to fundraising appeals;
- (c) the provisions of the Charitable Fundraising Act 1991 and the regulations under the Act and the conditions attached to the authority to fundraise have been complied with; and
- (d) the internal controls exercised by Lifestart Co-operative Ltd are appropriate and effective in accounting for all income received and applied by Lifestart Co-operative Ltd from any of its fundraising appeals.

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

Director
Andrew J Wilson

Director
R Bruce Corlett

Dated this day of September 2011

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Independent Audit Report to the members of Lifestart Co-operative Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Lifestart Co-operative Ltd (the Co-operative) and Lifestart Co-operative Ltd and Controlled Entity (the consolidated group), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated group, comprising the Co-operative and the company it controlled at year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Co-operatives Act 1992 (NSW) and are appropriate to meet the needs of the members. The directors' responsibility includes such internal controls as the directors determine are necessary to enable the preparation of a financial report 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 have 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 company's preparation of the financial report that gives a true and fair view, 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 company'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.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Opinion

Due to the nature of the Co-operative's fundraising activities and the revenue thus derived, it is not practicable for Lifestart Co-operative Ltd to maintain a fail-safe system of internal control over its fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising was limited to amounts recorded.

Lifestart Co-operative Ltd and Controlled Entity

ABN 43 073 450 316

Independent Audit Report to the members of Lifestart Co-operative Ltd

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial statements of the matter referred to in the qualification paragraph, the financial report of Lifestart Co-operative Ltd and Lifestart Co-operative Ltd and Controlled Entity is in accordance with the Co-operatives Act 1992 (NSW) including:

(a) giving a true and fair view of the Co-operative's and Consolidated Group's financial position as at 30 June 2011 and of their performance for the year ended on that date in accordance with the accounting policies described in Note1;

(b) complying with Australian Accounting Standards to the extent described in Note 1.

In compliance with Section 24 of the Charitable Fundraising Act 1991 and the Authority Condition, we report that, except for the effects on the financial statements of the matter referred to in the qualification paragraph:

- (i) the financial statements of Lifestart Co-operative Ltd show a true and fair view of the financial results of fundraising appeals during the year ended 30 June 2011;
- (ii) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;
- (iii) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991(NSW) and the Regulations.
- (iv) at the date of this report, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.

Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Co-operatives Act 1992 (NSW)*. As a result, the financial report may not be suitable for another purpose.

Priestley & Morris
Chartered Accountants

P A Cordwell
Partner

Level 7
3 Horwood Place
PARRAMATTA NSW 2150

Dated this day of September 2011