



**ABC NURSERY HIRE PTY LTD  
ACN 125 014 226**

**(FRANCHISOR)**

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**DISCLOSURE DOCUMENT FOR FRANCHISEE OR  
PROSPECTIVE FRANCHISEE**

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All enquiries should be addressed to:

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4 February 2016  
PT:DB:1600450

Disclosure Document  
Franchisor to Franchisee  
CBD East Melbourne

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## **CONFIDENTIAL**

**THIS DOCUMENT IS CONFIDENTIAL AND IS MADE AVAILABLE TO THE FRANCHISEE OR PROSPECTIVE FRANCHISEE IN TERMS OF A CONFIDENTIALITY AGREEMENT BETWEEN THE FRANCHISOR AND THE FRANCHISEE OR PROSPECTIVE FRANCHISEE.**

**DISCLOSURE DOCUMENT FOR FRANCHISEE  
OR PROSPECTIVE FRANCHISEE**

**1.1. INTRODUCTION**

FRANCHISOR'S NAME: ABC Nursery Hire Pty Ltd  
 ACN: 125 014 226  
 BUSINESS ADDRESS: 8 David Street, Upper Coomera QLD 4209  
 PHONE NUMBER: 0431 209 883

This disclosure document contains some of the information you need in order to make an informed decision about whether to enter into a franchise agreement.

Entering into a franchise agreement is a serious undertaking. Franchising is a business and like any business the franchise or franchisors could fail during the franchise term. This could have consequences for the franchisee.

A franchise agreement is legally binding on you if you sign it.

You are entitled to a waiting period of fourteen (14) days before you enter into this agreement.

If this is a new franchise agreement (not a renewal, extension or transfer of an agreement) you will be entitled to a seven (7) day cooling-off period after signing the agreement, during which you may terminate the agreement.

If you decide to terminate the agreement during the cooling-off period, the franchisor must, within fourteen (14) days, return all payments (whether of money or of other valuable consideration) made by you to the franchisor under the agreement. However, the franchisor may deduct from this amount the franchisor's reasonable expenses, if the expenses or their method of calculation have been set out in the agreement.

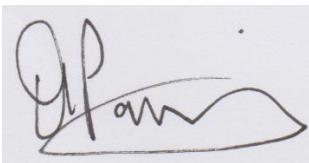
Take your time, read all the documents carefully, talk to other franchisees and assess your own financial resources and capabilities to deal with the requirements of the franchised business.

You should make your own enquiries about the franchise and about the business of the franchise.

You should get independent legal, accounting and business advice before signing the franchise agreement.

It is often prudent to prepare a business plan and projections for profit and cash flow.

You should also consider educational courses, particularly if you have not operated a business before.



\_\_\_\_\_  
 Director of Franchisor

Date of Preparation: 4 February 2016

**THE FRANCHISEE MAY RETAIN A COPY OF THIS DISCLOSURE DOCUMENT**

The Franchising Code of Conduct obliges the franchisor to disclose certain information to prospective franchisees to assist them in their assessment of the franchise system and whether or not they wish to be a franchisee within that system.

The information is contained in this Disclosure Document.

Any term or phrase not defined in this Disclosure Document will, unless the context otherwise indicates, have the same meaning as set out in the Franchising Code of Conduct or the franchise agreement, as the case may be.

The franchisor strongly recommends that a prospective franchisee obtain independent legal advice from an independent solicitor and accounting advice from an independent accountant, in relation to the franchise agreement and all aspects of the franchised business. This document should not be taken as a substitute for obtaining that advice.

This Disclosure Document contains information available as at the Date of Preparation. Neither the franchisor nor any other person will be liable for any information set out in this Disclosure Document where that information has changed after the date of this Disclosure Document.

The franchisor does not make any representation that a franchised business will achieve any specific turnover or profit. Turnover and profit will vary significantly between different franchised businesses.

Even where the franchisee is given financial information regarding an existing franchised business, the franchisee should not take that as being indicative of the turnover or profit that the franchisee is likely to achieve in a new or already operating franchised business.

It is imperative that the franchisee conduct its own investigations with respect to current or likely turnover and satisfy itself by taking independent accounting and financial advice.

The turnover and profitability projections of the franchised business cannot be guaranteed by the franchisor. Every franchised business has different potential depending on a number of factors some of which are:

1. The ability of the franchisee and his/her employees;
2. The effort and performance of the franchisee;
3. The premises and the situation of the premises.
4. The competition from other businesses;
5. The changes to the law which may have an impact on the franchised business;
6. The Economy and market changes;
7. The change of any circumstances within the Territory.

**NB: THE DEFINITIONS IN THIS DISCLOSURE DOCUMENT CAN BE LOCATED IN  
CLAUSE 1.1 OF THE FRANCHISE AGREEMENT.**

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## 2. **FRANCHISOR DETAILS**

- 2.1. **The franchisor's name, and address or addresses of registered office and principal place of business in Australia, and ABN, ACN or ARBN (or foreign equivalent if the franchisor is a foreign franchisor).**

ABC Nursery Hire Pty Ltd  
ACN 125 014 226  
8 David Street  
Upper Coomera QLD 4209

- 2.2. **The name under which the franchisor carries on business in Australia relevant to the franchise.**

All Baby Hire

- 2.3. **A description of the kind of business operated under the franchise.**

The provision of nursery and child furniture products and accessories for hire to hotels, motels, other businesses and the general public.

- 2.4. **The number of years that the franchise or franchise system has operated in Australia.**

The Franchise System commenced operations in 2007.

- 2.5. **The name, ABN, ACN or ARBN, address of registered office and principal place of business of each associate of the franchisor that is a body corporate (if any).**

N/A

- 2.6. **The name and address of each associate of the franchisor that is not a body corporate (if any), and if applicable, each associate's ABN or ARBN.**

N/A

- 2.7. **A description of the relationship between:**

- (a) each associate mentioned in Item 2.5 and the franchisor; and
- (b) each associate mentioned in Item 2.6 and the franchisor;

N/A

**and of the relevance of the relationship to the franchise system and the franchise.**

- 2.8 **For each officer of the franchisor - name, position held and qualifications (if any)**

David Parrish - Director

*Qualifications:* Nil

David Mullins - Director

*Qualifications:* Nil

Tracey Mullins - Director

*Qualifications:* Nil

### 3. **BUSINESS EXPERIENCE**

#### 3.1. **A summary of the relevant business experience of each person mentioned in Item 2.8 for the past ten (10) years, including length of experience in:**

- (a) **working in the franchise system; and**
- (b) **working for the franchisor.**

##### David Parrish - Director

2014 to Present      Owner / Director - ABC Nursery Hire Pty Ltd

2012 to Present      Owner / Director - Resort Hire

Resort Hire is a business which provides fold up beds, portacots and other children's equipment for hire to Gold Coast resorts/hotels.

2005 to Present      Freelance consulting for numerous resorts/hotels.

##### David Mullins - Director

2014 to Present      Owner / Director - ABC Nursery Hire Pty Ltd

1999 to Present      Owner / Director – 'Gold Coast Vending' vending-machine business

##### Tracey Mullins - Director

2014 to Present      Owner / Director - ABC Nursery Hire Pty Ltd

1999 to Present      Administration - 'Gold Coast Vending' vending-machine business

#### 3.2 **A summary of relevant business experience of the franchisor for the past ten (10) years, including:**

- (a) **length of experience in:**
  - (i) **operating a business that is substantially the same as that of the franchise; and**
  - (ii) **offering other franchises that are substantially the same as the franchise.**

N/A

- (b) **whether the franchisor has offered franchises for other businesses and, if so:**
  - (i) **a description of each such business;**
  - (ii) **for how long the franchisor offered franchises for each such business.**

N/A

#### **4. LITIGATION**

##### **4.1. Details of:**

**(a) current proceedings by a public agency, criminal or civil proceedings or arbitration, relevant to the franchise, against the franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, in Australia alleging:**

- (i) breach of a franchise agreement; or**
- (ii) contravention of trade practices law; or**
- (iii) contravention of the Corporations Act 2001; or**
- (iv) unconscionable conduct; or**
- (v) misconduct; or**
- (vi) an offence of dishonesty; and**

Nil.

**(b) proceedings against the franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, other than for unfair dismissal of an employee, under:**

- (i) section 12 of the Independent Contractors Act 2006; or**
- (ii) a law of a State or Territory that regulates workplace relations or independent contractors.**

Nil.

##### **4.2. Whether a franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, has been:**

- (a) in the last ten (10) years - convicted of a serious offence, or an equivalent offence outside Australia; or**
- (b) in the last five (5) years - subject to final judgment in civil proceedings for a matter mentioned in paragraph 4.1(a); or**
- (c) in the last ten (10) years - bankrupt, insolvent under administration or an externally-administered body corporate in Australia or elsewhere.**

Nil.

##### **4.3. For Items 4.1 and 4.2 - the following details (where relevant):**

- (a) the names of the parties to the proceedings;**
- (b) the name of the court, tribunal or arbitrator;**
- (c) the case number;**
- (d) the general nature of the proceedings;**



- (e) the current status of the proceedings;
- (f) the date and content of any undertaking or order under section 87B of the Competition and Consumer Act 2010;
- (g) the penalty or damages assessed or imposed;
- (h) the names of the persons who are bankrupt, insolvent under administration or externally administered;
- (i) the period of the bankruptcy, insolvency under administration or external administration.

Nil.

## 5. PAYMENTS TO AGENTS

- 5.1. For any agreement under which the franchisor must pay an amount, or give valuable consideration, to a person who is not an officer, director or employee of the franchisor in connection with the introduction or recruitment of a franchisee - the name of the person.

Nil.

## 6. EXISTING FRANCHISES

- 6.1. Number, sorted by State, Territory or region, of:

- (a) existing franchised businesses; and
- (b) existing franchisees; and
- (c) businesses owned or operated by the franchisor or an associate of the franchisor in Australia that are substantially the same as the franchised business.

| State / Territory | Number of existing Franchised Businesses | Number of existing Franchisees | Number of Businesses owned by the Franchisor that are substantially the same as the Franchise |
|-------------------|--|--------------------------------|---|
| QLD               | Six (6)                                  | Four (4)                       |   |
| NSW               |  |                                |   |
| VIC               | Three (3)                                | Two (2)                        |   |
| SA                |  |                                |   |
| WA                |  |                                |   |
| TAS               |  |                                |   |
| NT                |  |                                |   |
| ACT               |  |                                |   |

**6.2. For each existing franchisee:**

- (a) business address, if this is not the franchisee's residential address; and**
- (b) business phone number; and**
- (c) year when the franchisee started operating the franchised business.**

| <b>Name</b>  | <b>Telephone</b> | <b>Address</b>                                 | <b>Year Started</b> |
|--|------------------|--|---------------------|
| Jacqueline and Terence Green<br>Sunshine Coast                 | 0423 959 714     | 115 Grand Parade<br>Parrearra QLD 4575         | 2010                |
| Gayle & Gordon Kratzmann<br>Brisbane North & Brisbane Central  | 07 3353 4124     | 86 Voyager Circuit<br>Bridgeman Downs QLD 4035 | 2008                |
| Susie Langmaid<br>Gold Coast North                             | 0421 009 265     | 5 Aquarius Court<br>Molendinar QLD 4214        | 2014                |
| Toshio & Jodi Taniguchi<br>Melbourne West & CBD Melbourne East | 0432 825 772     | 25 Colston Drive<br>Hillside VIC 3037          | 2009                |
|  |                  |  |                     |
| Debra Greenwood<br>Gold Coast South                            | 0439 079 627     | Unit 5/2 Pappas Way<br>Carrara QLD 4211        | 2014                |

**6.3. However, if there are more than fifty (50) franchises, the franchisor may instead give details under Item 6.2 for all franchisees in the State, Territory, region or metropolitan area in which the franchise is to be operated.**

N/A.

**6.4. For each of the last three (3) financial years and for each of the following events - the number of franchised businesses for which the event happened:**

- (a) the franchise was transferred;**
- (b) the franchised business ceased to operate;**
- (c) the franchise agreement was terminated by the franchisor;**
- (d) the franchise agreement was terminated by the franchisee;**
- (e) the franchise agreement was not extended;**
- (f) the franchised business was bought back by the franchisor;**
- (g) the franchise agreement was terminated and the franchised business was acquired by the franchisor.**

Nil

**6.5. Subject to subclause 32(1), the franchisor must supply, for each event mentioned in Item 6.4, the name, location and contact details of each franchisee if the information is available.**

**7. MASTER FRANCHISES**

**7.1 If the franchisor is also a subfranchisor - the master franchisor's:**

- (a) name; and**
- (b) address, or addresses, of registered office and principal place of business; and**
- (c) ABN, ACN or ARBN (or foreign equivalent if applicable).**

N/A

**7.2 The name under which the master franchisor carries on business relevant to the franchise.**

N/A

**7.3 For each officer of the master franchisor - name, position held and qualifications (if any).**

N/A

**7.4 For each of the last three (3) financial years and each of the following events - the number of:**

- (a) franchise agreements terminated by the master franchisor;**
- (b) franchise agreements terminated by the franchisor;**
- (c) franchise agreements that were not extended by the master franchisor.**

N/A

**7.5 The following details about the master franchise:**

- (a) the term of the franchise agreement, including the date that it began;**
- (b) the territory of the franchise;**
- (c) whether the franchise agreement may be renewed;**
- (d) whether the term of the franchise agreement may be extended and if so, any preconditions applying to an extension;**
- (e) whether the scope of the franchise agreement may be extended;**
- (f) whether the franchise agreement may be transferred, and if so, whether the franchisee is required to become a party to a franchise agreement with the transferee;**
- (g) the grounds on which the franchise agreement may be terminated;**
- (h) if the franchise agreement is terminated, how a subfranchisor's franchise agreement with a franchisee is affected.**

N/A.

## 8. INTELLECTUAL PROPERTY

### 8.1. For any trade mark used to identify, and for any patent, design or copyright that is material to, the franchise system (*intellectual property*):

#### (a) description of the intellectual property; and

- (i) Includes but is not limited to all or any part of the following - copyright, Trade Marks, trade mark rights, logos, design rights, drawings, documentation, insignias, emblems, know-how, Manuals, specific tools, material capable of copyright, techniques, marketing information, marketing materials, the corporate image, Franchise System, Franchise Image, training programs, training methods, training materials, procedures, policies, systems, Authorised Software, source and object codes, databases, network codes and practices, records, documents, plans, program listings, scripts, security codes, specifications, accounting practices, all material whether printed, audio or visual or recorded on Authorised Software, all drawings, artworks, icons, internet listing directory listings, telephone and facsimile numbers, email address, Business Names, domain names Web Sites, web pages, web design material, SIM cards for mobile telephone, other computer or software identifications and other business listings, Franchisee lists, Client information, Franchisee information, Authorised Equipment particulars and specifications, Authorised Product specifications, Authorised Services, the Brand, Brand Guidelines, Client Database, Client enquiry and contact information, distributor details, Authorised Stationery specifications, Authorised Supplier information, Motor Vehicle Signage, Motor Vehicle Specifications, enquiry and advertising material and records, concepts, design and materials, certification methods, all Franchise Documentation and any other item or material whether licensed to or owned by the Franchisor and used directly or indirectly in the Franchisor's Business or the Franchised Business whether existing at the date of this Agreement or coming into existence thereafter and any variation or modification thereto;
- (ii) Copyright is claimed in the operations and training manuals and other recorded material produced by the Franchisor including Confidential Information being marketing and operations methods and the methodology of the carrying on of the Franchised Business.
- (iii) The following Trade Marks:-

#### (a)



#### (b)



**(b) details of the franchisee's rights and obligations in connection with the use of the intellectual property; and**

- (i) The rights and obligations of each Franchisee in connection with the use of the Intellectual Property is regulated by the Franchise Agreement and is limited to use in the Territory for the Term of the Franchise Agreement.
- (ii) The Intellectual Property may be used in the operating and marketing the Franchised Business as specified in the Franchise Agreement.

**(c) whether the intellectual property is registered in Australia, and if so, the registration date, registration number and place of registration; and**

The Trade Mark in 8.1 (a) (iii) (a) is registered with IP Australia (TM 1173675).

**(d) any judgment or pending proceedings that could significantly affect ownership or use of the intellectual property, including:**

- (i) name of court or tribunal; and
- (ii) matter number; and
- (iii) summary of the claim or judgment; and

N/A.

**(e) If the intellectual property is not owned by the franchisor - who owns it; and**

N/A - The Franchisor owns the Intellectual Property.

**(f) details of any agreement that significantly affects the franchisor's rights to use, or to give others the right to use, the intellectual property, including:**

- (i) parties to the agreement; and
- (ii) nature and extent of any limitation; and
- (iii) duration of the agreement; and
- (iv) conditions under which the agreement may be terminated.

N/A

**8.2. The franchisor is taken to comply with Item 8.1 for any information that is confidential if the franchisor gives:**

- (a) a general description of the subject matter; and
- (b) a summary of conditions for use by the franchisee.

## 9. **FRANCHISE SITE OR TERRITORY**

### 9.1. **Whether the franchise is:**

**(a) for an exclusive or non-exclusive territory; or**

The Franchisee is granted an exclusive Territory.

**(b) limited to a particular site.**

No. The Franchisee may operate the business from a home or commercial office as it deems appropriate but is required to have access to a secure storage space.

### 9.2. **For the territory of the franchise:**

**(a) whether other franchisees may own or operate a business that is substantially the same as the franchised business; and**

No, except where the Franchisee is unable or unwilling to provide Authorised Services and with the Franchisor's Consent.

**(b) whether the franchisor or an associate of the franchisor may operate a business that is substantially the same as the franchised business.**

No, except where the Franchisee is unable or unwilling to provide Authorised Services.

**(c) whether the franchisor or an associate of the franchisor may establish other franchises that are substantially the same as the franchise; and**

No.

**(d) whether the franchisee may own or operate a business that is substantially the same as the franchised business outside the territory of the Franchise; and**

No, except with the Franchisor's Consent.

**(e) whether the franchisor may change the territory or site of the franchise and if so, the circumstances in which such a change may occur.**

No, except where agreed mutually between the Franchisor and the Franchisee.

## 10. SUPPLY OF GOODS OR SERVICES TO A FRANCHISEE

### 10.1. For the franchisor's requirements for supply of goods or services to a franchisee - details of:

- (a) **any requirement for the franchisee to maintain a level of inventory or acquire an amount of goods or services; and**

The Franchisee must at all times hold a minimum inventory of Authorised Products to operate the Franchised Business – see Franchise Agreement.

- (b) **restrictions on acquisition of goods or services by the franchisee from other sources; and**

The Franchisee is required to obtain Authorised Products from the Franchisor or an Authorised Supplier in accordance with the Franchise Agreement.

- (c) **ownership by the franchisor or an associate of the franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services; and**

Franchisor or an associate of the Franchisor itself may supply Authorised Products.

- (d) **the obligation of the franchisee to accept goods or services from the franchisor, or from an associate of the franchisor; and**

The Franchisee must only obtain Authorised Products from an Authorised Supplier which may include the Franchisor or an associate of the Franchisor.

In addition, the Franchisor will provide the Specified Services which the Franchisee must accept.

- (e) **the franchisor's obligation to supply goods or services to the franchisee; and**

The Franchisor or an associate of the Franchisor will supply Authorised Products in accordance with its terms of order and supply with regard to orders for Authorised Products made by the Franchisee.

- (f) **whether the franchisee will be offered the right to be supplied with the whole range of the goods or services of the franchise; and**

Yes.

- (g) **conditions under which the franchisee can return goods or services, and to whom; and**

The Franchisee may return any Authorised Products which are faulty on delivery in accordance with terms of order and supply of the relevant Authorised Supplier.

- (h) **conditions under which the franchisee can obtain a refund for goods or services provided by the franchisor, and from whom; and**

A refund for Specified Services is not available to the Franchisee once the Specified Services have been provided.

- (i) **whether the franchisor may change the range of goods or services, and if so, to what extent; and**

Yes, the Franchisor may change the range of Authorised Products in order to develop the Franchise System for the mutual benefit of the Franchisor and all Franchisees.

- (j) **whether the franchisor, or an associate of the franchisor, will receive a rebate or other financial benefit from the supply of goods or services to franchisees, including the name of the business providing the rebate or financial benefit; and**

The Franchisor does not receive any rebates from suppliers of goods or services to Franchisees but does receive a financial benefit in circumstances where the Franchisor supplies Authorised Products and Specified Services to Franchisee.

- (k) **whether any rebate or financial benefit referred to under paragraph (j) is shared, directly or indirectly, with franchisees.**

The Franchisor will not share the financial benefit received from the supply of Authorised Products and Specified Services with Franchisees.

## 11. **SUPPLY OF GOODS OR SERVICES BY A FRANCHISEE**

### 11.1. **For the franchisor's requirements for supply of goods or services by a franchisee - details of:**

- (a) **restrictions on the goods or services that the franchisee may supply; and**

The Franchisee may only supply the Authorised Products.

- (b) **restrictions on the persons to whom the franchisee may supply goods or services; and**

The Franchisee may only supply the Authorised Products within the Territory or as directed by the Franchisor.

- (c) **whether the franchisee must supply the whole range of goods or services of the franchise.**

The Franchisee must supply the whole range of the Authorised Services.



## **12. SUPPLY OF GOODS OR SERVICES - ONLINE SALES**

### **12.1. Details of whether the franchisee may make available online:**

- (a) goods of the same type or brand; or**
- (b) services of the same type.**

N/A – the Franchisee may not sell goods or services online.

### **12.2. If goods or services may be made available online by the franchisee, the following information:**

- (a) whether the franchise agreement restricts, or places conditions on, the franchisee's ability to make those goods and services available online;**
- (b) whether services may be made available via a third party website, and if so, specified restrictions or conditions by the franchisor on the franchisee's use of a third party website;**
- (c) The extent to which those services may be supplied outside the territory of the franchise.**

### **12.3. Details of whether:**

- (a) the franchisor or an associate of the franchisor; or**
- (b) other franchisees;**

**makes, or expects to make, goods or services available online.**

The Authorised Services are advertised via the Franchisor's website – see 12.4.

### **12.4. If goods or services are made, or are expected to be made, available online by the franchisor, an associate of the franchisor or other franchisees, the following information:**

- (a) the extent to which those goods or services may be supplied in the territory of the Franchise;**

Leads generated by the Franchisor's website will be assigned to the relevant franchisees in accordance with the assigned territories. With regard to leads generated outside the assigned territory of any franchisee, the Franchisor will assign the lead in accordance with its discretion.

- (b) in the case of goods or services made available via a third party website - the domain name or URL of the third party website.**

N/A

### **12.5. Details of any profit sharing arrangements that apply in relation to goods or services made available online and would affect the franchise, and whether these arrangements may be unilaterally changed by the franchisor.**

See 12.4(a).

### 13. SITES OR TERRITORIES

13.1. **The policy of the franchisor, or an associate of the franchisor, for selection of as many of the following as are relevant.**

(a) **the site to be occupied by the franchised business;**

The Franchisor does not require that the Franchisee have Premises but access to a secure and dry storage area is recommended.

(b) **the Territory in which the franchised business is to operate.**

The Franchisor has used a combination of geographical postcodes and suburbs combined with information regarding the number of households within those suburbs to define appropriate Territories. The Territory is defined in the Franchise Agreement by a map and/or a description.

13.2. **Details of whether the territory or site to be franchised has, in the previous ten (10) years, been subject to a franchised business operated by a previous franchise granted by the franchisor and, if so, details of the franchised business, including the circumstances in which the previous franchisee ceased to operate.**

The Territory is currently franchised by the Franchisee.

13.3. **The details mentioned in item 13.2 must be provided:**

(a) **in a separate document; and**

(b) **with the disclosure document.**

### 14. OTHER PAYMENTS

#### Prepayments

14.1. **If the franchisor requires a payment before the franchise agreement is entered into - why the money is required, how the money is to be applied and who will hold the money.**

N/A – Renewal

14.2. **The conditions under which a payment will be refunded.**

N/A – Renewal

*The information on the following pages sets out the range of costs usually encountered by a new franchisee when establishing and then operating a franchised business based on current practice. This information is provided as a guide only and is based on the franchisor's experience and is not to be taken as a guarantee.*

*The information provided includes a number of assumptions which WILL VARY depending upon many factors such as the supplier, the location of the franchised business and the existing assets of the franchisee. The assumptions are given to enable to the franchisee's independent financial advisers to test the soundness of the information on behalf of the franchisee.*

*The information is provided by the franchisor on the basis that the franchisee will take its own independent financial advice regarding the information, and on the basis that the franchisee will independently verify the estimates of the costs that are given.*

**14.3. Details of the range of costs to start operating the franchised business, based on current practice, for the following matters:**

- (a) real property, including property type, location and building size;
- (b) equipment, fixtures, other fixed assets, construction, remodelling, leasehold improvements and decorating costs;
- (c) inventory required to begin operation;
- (d) security deposits, utility deposits, business licences, insurance and other prepaid expenses;
- (e) additional funds, including working capital, required by the Franchisee before operations begin;
- (f) other payments by a Franchisee to begin operations.

**14.3.1. Equipment Franchisor Supplied**

|                       |               |
|-----------------------|---------------|
| Description           | N/A - Renewal |
| Amount                | N/A - Renewal |
| Payments to           | N/A - Renewal |
| Due date              | N/A - Renewal |
| Is payment refundable | No.           |

**14.3.2. Equipment Franchisee Supplied**

|                       |               |
|-----------------------|---------------|
| Description           | N/A - Renewal |
| Amount                | N/A - Renewal |
| Payments to           | N/A - Renewal |
| Due date              | N/A - Renewal |
| Is payment refundable | No.           |

**14.3.3. Insurance**

|                       |   |
|-----------------------|---|
| Description           | (a) Public Liability - \$20 million per incident;<br>(b) Equipment – Replacement value;<br>(c) Comprehensive Vehicle cover;<br>(d) Income Protection;<br>(e) Other which the Franchisor requires. |
| Amount                | \$1,000.00 to \$3,000.00 per annum.   |
| Payment to            | The relevant Insurers   |
| Due Date              | Prior to Commencement Date.   |
| Is payment refundable | No.   |

**14.3.4. Business Name**

|                       |                                       |
|-----------------------|---------------------------------------|
| Description           | Registration of Business Name.        |
| Amount                | \$30.00 (1 Year) / \$79.00 (3 Years). |
| Payments to           | ASIC.                                 |
| Due Date              | Prior to Commencement Date.           |
| Is payment refundable | No.                                   |

**14.3.5. Working Capital**

|             |  |
|-------------|--|
| Description | Working Capital. The Franchisee must obtain its own independent financial advice about the level of Working Capital that is appropriate. |
| Amount      | To be advised by Financial Advisor.  |

**14.3.6. Initial Training - Expenses**

|                       |               |
|-----------------------|---------------|
| Description           | N/A - Renewal |
| Amount                | N/A - Renewal |
| Payments to           | N/A - Renewal |
| Due Date              | N/A - Renewal |
| Is payment refundable | No.           |

**14.3.7. Legal / Accounting – Franchisee**

|                       |   |
|-----------------------|---|
| Description           | Franchisee's legal and accounting fees for advice in relation to the Franchised Business. |
| Amount                | Variable – From \$0 - \$3,000.00 plus GST.  |
| Payments to           | Solicitor, Accountant or Business Advisor.  |
| Due Date              | Prior to Commencement Date.   |
| Is payment refundable | No.   |

**14.3.8. Legal – Franchisor**

|                       |   |
|-----------------------|---|
| Description           | Preparation of Franchise Documentation. |
| Amount                | \$2,500.00 plus GST plus postage.       |
| Payments to           | The Franchisor's Solicitor.             |
| Due Date              | Prior to Commencement Date.             |
| Is payment refundable | No.                                     |

**14.3.9. Miscellaneous**

|                       |   |
|-----------------------|---|
| Description           | Miscellaneous costs to establish the Franchised Business for example.   |
| Amount                | The Franchisor anticipates these should not exceed \$500.00 plus GST but will depend on the Franchisee's circumstances. |
| Payments to           | Those parties supplying the Services above.   |
| Due Date              | As required by Supplier of Services.  |
| Is payment refundable | No.   |

**14.3.10. Minimum Inventory**

|                       |  |
|-----------------------|--|
| Description           | Required additions to the Initial Kit in accordance with market demands. |
| Amount                | \$5,000.00 per annum.  |
| Payments to           | Franchisor or Authorised Supplier  |
| Due Date              | Prior to Commencement Date.  |
| Is payment refundable | No.  |

**14.3.11. Motor Vehicle**

|                       |               |
|-----------------------|---------------|
| Description           | N/A - Renewal |
| Amount                | N/A - Renewal |
| Payments to           | N/A - Renewal |
| Due Date              | N/A - Renewal |
| Is payment refundable | No.           |

**14.4 For Item 14.3 the details for each payment must include:**

- (a) Description of the payment; and
- (b) Amount of the payment or the formula used to work out the payment; and
- (c) To whom the payment is made; and
- (d) When the payment is due; and
- (e) Whether the payment is refundable and if so under what conditions.

**14.5 For Item 14.3 if the amount of the payment cannot easily be worked out - the upper and lower limits of the amount.**

**14.6 For each recurring or isolated payment payable by the franchisee to the franchisor or an associate of the franchisor or to be collected by the franchisor or an associate of the franchisor for another person, the following items as listed:**

- (a) description of the payment; and**
- (b) amount of the payment or formula used to work out the payment; and**
- (c) to whom the payment is made; and**
- (d) when the payment is due; and**
- (e) whether the payment is refundable and if so under what conditions.**

**14.6.1. Service Fee**

|                       |   |
|-----------------------|---|
| Description           | Service Fee.  |
| Amount                | Eight per cent (8%) of Gross Sales plus GST on that amount. |
| Payments to           | The Franchisor.   |
| Due Date              | Weekly.   |
| Is payment refundable | No.   |

**14.6.2. Franchise Fee**

|                       |  |
|-----------------------|--|
| Description           | Purchase price of the Franchised Business. |
| Amount                | N/A - Renewal                              |
| Payments to           | N/A - Renewal                              |
| Due Date              | N/A - Renewal                              |
| Is payment refundable | No.  |

**14.6.3. Transfer Fee**

|                       |   |
|-----------------------|---|
| Description           | Payable on sale of the Franchised Business. |
| Amount                | \$2,500.00 plus GST                         |
| Payments to           | The Franchisor.                             |
| Due Date              | On transfer of the Franchised Business.     |
| Is payment refundable | No.   |

**14.6.4. Renewal Fee**

|                       |   |
|-----------------------|---|
| Description           | Payable on exercise of the option to renew the Franchised Business for the Renewal Term |
| Amount                | \$2,500.00 plus GST   |
| Payments to           | The Franchisor.   |
| Due Date              | Prior to Commencement of the Renewal Term.  |
| Is payment refundable | No.   |

**14.6.5. Marketing Fee**

|                       |   |
|-----------------------|---|
| Description           | Contribution to the Marketing Fund.                       |
| Amount                | One per cent (1%) of Gross Sales plus GST on that amount. |
| Payments to           | The Franchisor.   |
| Due Date              | Weekly  |
| Is payment refundable | No.   |

**14.6.6. Additional Training Fee**

|                       |  |
|-----------------------|--|
| Description           | Additional Training – as required  |
| Amount                | \$100.00 per hour plus GST plus expenses of the Franchisor or any trainer. |
| Payments to           | The Franchisor.  |
| Due Date              | On request by the Franchisee.  |
| Is payment refundable | No.  |

**14.7 For each recurring or isolated payment, that is within the knowledge or control of the franchisor or is reasonably foreseeable by the franchisor, that is payable by the franchisee to a person other than the franchisor or an associate of the franchisor, the following items as listed:**

- (a) a description of the payment;**
- (b) the amount of the payment or formula used to work out the payment;**
- (c) to whom the payment is made;**
- (d) when payment is due;**
- (e) whether the payment is refundable and is so under what conditions.**

**14.7.1. Insurance (Annual Renewal)**

|                       |                                      |
|-----------------------|--------------------------------------|
| Description           | Renewal of Insurance – See 14.3.3    |
| Amount                | See 14.3.3                           |
| Payment to            | The Relevant Insurers.               |
| Due date              | As required by the Relevant Insurer. |
| Is payment refundable | No.                                  |

**14.7.2. Sundries (Monthly Broadband and telephone contract)**

|                       |   |
|-----------------------|---|
| Description           | ADSL Broadband and Telephone Connection.  |
| Amount                | \$50 - \$125 – Depending on requirements. |
| Payment to            | Authorised Supplier.                      |
| Due Date              | As invoiced.                              |
| Is payment refundable | No.                                       |

**14.7.3. Business Name (Renewal)**

|                       |                                      |
|-----------------------|--------------------------------------|
| Description           | Registration of Business Name.       |
| Amount                | \$30.00 (1 Year) / \$79.00 (3 Years) |
| Payment to            | ASIC                                 |
| Due date              | On expiry of current registration.   |
| Is payment refundable | No.                                  |



**14.7.4. Legal / Accounting – Franchisee (Ongoing)**

|                       |  |
|-----------------------|--|
| Description           | Ongoing Franchisee's legal and accounting fees for advice in relation the Franchised Business as required by the Franchisee. |
| Amount                | Variable – From \$0 - \$3,000.00 plus GST.   |
| Payment to            | Solicitor, Accountant or Business Advisor.   |
| Due date              | Prior to Commencement Date.  |
| Is payment refundable | No.  |

**14.7.5. Legal – Franchisor**

|                       |  |
|-----------------------|--|
| Description           | Franchisor's solicitor – Services as required.   |
| Amount                | (a) Surrender Agreement:<br>Fees and sundries \$800.00 plus GST;<br><br>(b) Variation or other services: as quoted depending on circumstance (Standard rate - \$400.00 per hour plus GST plus Sundries). |
| Payment to            | The Franchisor's Solicitors.   |
| Due date              | (a) On sale or surrender of Franchised Business;<br><br>(b) As required;   |
| Is payment refundable | No.  |

**14.7.6. Mobile Telephone Costs**

|                       |  |
|-----------------------|--|
| Description           | Mobile telephone contract bills.   |
| Amount                | Estimated as \$49.00 to \$119.00 per month depending on the Franchisee's requirements. |
| Payment to            | Mobile telephone service provider.   |
| Due date              | Monthly.   |
| Is payment refundable | No.  |

**14.7.7. Equipment Replacement and Upgrades**

|                       |  |
|-----------------------|--|
| Description           | Replacement and upgrades of Minimum Inventory. |
| Amount                | Variable \$0.00 to \$1,000.00 per annum.       |
| Payment to            | Equipment provider or Supplier.                |
| Due date              | As required by the Supplier.                   |
| Is payment refundable | Dependant on the terms of the Supplier.        |

**14.7.8. Stationery**

|                       |   |
|-----------------------|---|
| Description           | Stationery replacement or replenishment (this will include printer toner, paper, regular stationery items). |
| Amount                | Variable but \$250.00 to \$1,000.00 per annum.  |
| Payment to            | Supplier of Stationery.   |
| Due date              | As required by the Supplier.  |
| Is payment refundable | Not usually unless faults.  |

**14.7.9. Bookkeeping Services**

|                       |   |
|-----------------------|---|
| Description           | Franchisee's bookkeeping services         |
| Amount                | Estimated as \$75.00 - \$100.00 per month |
| Payment to            | Relevant bookkeeper                       |
| Due date              | Monthly                                   |
| Is payment refundable | No.                                       |

**14.7.10. Dispute Resolution**

|                       |  |
|-----------------------|--|
| Description           | Costs – see Code Mediation procedure.            |
| Amount                | Half the costs of the Mediator and of mediation. |
| Payments to           | Pursuant to Code.                                |
| Due Date              | When tax invoice of Mediator is due.             |
| Is payment refundable | Pursuant to Code.                                |

**14.7.11. Motor Vehicle Costs**

|                       |   |
|-----------------------|---|
| Description           | Motor Vehicle running costs.  |
| Amount                | Estimated as under per annum: <ul style="list-style-type: none"> <li>• Fuel \$2,000.00</li> <li>• Registration &amp; CTP \$1,450.00</li> <li>• Insurance \$750.00 plus GST</li> <li>• Repairs and maintenance \$3,000.00</li> </ul> |
| Payments to           | Suppliers of Services.  |
| Due Date              | In accordance with Suppliers' requirements.   |
| Is payment refundable | No.   |

**14.7.12. Cleaning Products**

|                       |   |
|-----------------------|---|
| Description           | Products for cleaning of Minimum Inventory  |
| Amount                | \$750.00 - \$1,250.00 per annum.            |
| Payments to           | Authorised Suppliers                        |
| Due Date              | In accordance with Suppliers' requirements. |
| Is payment refundable | No.   |

**14.7.13. Banking Fees**

|                       |  |
|-----------------------|--|
| Description           | Fees for banking facilities including merchant fees. |
| Amount                | \$500.00 - \$750.00 per annum.                       |
| Payments to           | The Franchisee's Bank.                               |
| Due Date              | As required by the Franchisee's Bank.                |
| Is payment refundable | No.  |

**14.8. For item 14.6 or 14.7, if the amount of the payment cannot easily be worked out - the upper and lower limits of the amount.**

**14.9. If 2 or more of items 14.1, 14.3 and 14.6 apply to a payment, the information required by those items in relation to that payment need to be set out only once.**

**14.10. To avoid doubt, this item covers a payment of significant capital expenditure.**

## 15. MARKETING OR OTHER COOPERATIVE FUNDS

15.1. For each marketing or other cooperative fund, controlled or administered by or for the franchisor, to which the franchisee may be required to contribute, the following details:

(a) **the kinds of persons who contribute to the fund (for example, franchisee, franchisor, outside supplier);**

All Franchisees are to contribute to the Marketing Fund as well as the Franchisor for any franchises it operates.

(b) **how much the franchisee must contribute to the fund and whether other franchisees must contribute at a different rate;**

All franchisee must contribute one per cent (1%) of Gross Sales plus GST on that amount on a monthly basis in arrears.

(c) **who controls or administers the fund;**

The Franchisor.

(d) **whether the fund is audited and, if so, by whom and when;**

In accordance with the Code, the Franchisor will within three (3) months after the end of each financial year:

- (i) prepare an annual financial statement of the Marketing Fund's receipts and expenses for the previous financial year; and
- (ii) have the statement audited by a registered company auditor unless seventy-five per cent (75%) of the Franchisees who contributed to the Marketing Fund agree that the statement need not be audited.

If the Franchisor is required to audit the statement, the Franchisor's then current registered company auditor will do so.

(e) **how the fund's financial statements can be inspected by franchisees;**

Yes in terms of the Code - the financial statements of the Marketing Fund may be inspected during business hours at the Franchisor's premises.

(f) **the kinds of expense for which the fund may be used;**

The Franchisor may use the Marketing Fund to pay the costs of:

- (a) Developing, implementing and conducting advertising and promotional campaigns and activities;
- (b) Conducting research including research in relation to goods, Services and customers;
- (c) The design, development and production of sales and marketing tools and aids with supporting training manuals and software;
- (d) Developing public relations, customer and supply relations;

- (e) Engaging advertising agencies and marketing and public relations consultants;
  - (f) The development and maintenance of the Website;
  - (g) Administration of the Marketing Fund including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs;
  - (h) Payment of accountancy, legal and other fees in respect of audits of the records of the Marketing Fund; and
  - (i) Any GST payable on any expenditure from the Marketing Fund.
- (g) the fund's expenses for the last financial year, including the percentage spent on production, advertising, administration and other stated expenses;**

See Annexure 3.

- (h) whether the franchisor or its associates supply goods or services for which the fund pays and, if so, details of the goods or services;**

Yes – the Marketing Fund may pay for the Franchisor's reasonable overhead and administrative costs of administering the Marketing Fund and coordinating the marketing activities including reasonable overhead and administrative costs, the cost of materials and employees' salaries and printing costs.

- (i) whether the franchisor must spend part of the fund on marketing, advertising or promoting the franchisee's business.**

The Franchisor will use its best endeavours to distribute the Marketing Fund equally amongst all Franchisees but does not warrant that the amount spent on promoting each Franchised Business will be in direct proportion to that Franchisee's contribution.

## **16. FINANCING**

- 16.1. The material conditions of each financing arrangement that the franchisor, its agent or an associate of the franchisor offers to the franchisee for establishment or operation of the franchised business.**

N/A.

- 16.2. For item 16.1, the material conditions of a financing arrangement include the following:**

- (a) any requirement that the franchisee must provide a minimum amount of unborrowed working capital of the franchised business;**
- (b) any requirement that a franchisee must meet a stated debt to equity ratio in relation to the franchised business.**

## **17. UNILATERAL VARIATION OF FRANCHISE AGREEMENT**

- 17.1. The circumstances in which the franchisor has unilaterally varied a franchise agreement in the last three (3) financial years (including, if applicable, financial years before this Code came into force), other than variations of a minor nature.**

Nil.

- 17.2. The circumstances in which the franchise agreement may be varied, unilaterally, by the franchisor in the future.**

The Franchise Agreement may only be varied by consent in writing and the variation executed by the Franchisor and the Franchisee.

## **18. ARRANGEMENTS TO APPLY AT THE END OF THE FRANCHISE AGREEMENT**

- 18.1. Details of the process that will apply in determining arrangements to apply at the end of the franchise agreement, including:**

- (a) whether the prospective franchisee will have an option to:**

- (i) renew the franchise agreement; or**

The Franchisee has one (1) option to renew the Franchise Agreement.

- (ii) enter into a new franchise agreement; and**

No – unless mutually agreed by the Franchisor and the Franchisee.

- (b) whether the prospective franchisee will be able to extend the term of the franchise agreement, and if so, the processes the franchisor will use to determine whether to extend the term of the franchise agreement; and**

No – unless mutually agreed by the Franchisor and the Franchisee.

- (c) if the prospective franchisee will have an option to renew the franchise agreement - whether the prospective franchisee will be entitled to compensation at the end of the agreement if it is not renewed and, if so, how that compensation will be determined; and**

The Franchisee is not entitled to compensation from the Franchisor at the end of the Term or any Renewal Term.

- (d) **details of the arrangements that will apply to unsold stock, marketing material, equipment and other assets purchased when the franchise agreement was entered into, including:**
- (i) **whether the franchisor will purchase the stock, marketing material, equipment and other assets; and**
  - (ii) **if the franchisor is to purchase the stock, marketing material, equipment and other assets - how prices will be determined; and**

The Franchisor is under no obligation to acquire stock, equipment or other assets which are saleable at the end of the Term but may offer to do so.

- (e) **whether the prospective franchisee will have the right to sell the business at the end of the franchise agreement; and**

The Franchisee may not sell the Franchised Business after the Term has expired.

- (f) **if the prospective franchisee will have the right to sell the business at the end of the franchise agreement - whether the franchisor will have first right of refusal, and how market value will be determined; and**

The Franchisor does not have the first right of refusal to acquire the business at the end of the Term - the Franchisor does not need that right as the Franchised Business has ceased to operate.

- (g) **whether the franchisor will consider any significant capital expenditure undertaken by the franchisee during the franchise agreement, in determining the arrangements to apply at the end of the franchise agreement.**

N/A

- 18.2. Details of whether the franchisor has, in the last three (3) financial years, considered any significant capital expenditure undertaken by franchisees, in determining the arrangements to apply at the end of franchise agreements between the franchisor and those franchisees.**

N/A.

- 18.3. If the franchisee does not have the option to renew the franchise agreement, the following statement must be included:**

N/A.

- 18.4. If the franchisee cannot extend the term of the franchise agreement, the following statement must be included:

**THE FRANCHISEE CANNOT EXTEND THE TERM OF THE FRANCHISE AGREEMENT. AT THE END OF THE FRANCHISE AGREEMENT, THE FRANCHISOR MAY, BUT DOES NOT HAVE TO, EXTEND THE TERM OF THE AGREEMENT. IF THE FRANCHISOR DOES NOT DO SO, THE FRANCHISE AGREEMENT ENDS AND THE FRANCHISEE NO LONGER HAS A RIGHT TO CARRY ON THE FRANCHISED BUSINESS.**

- 18.5. If the franchisee:

- (a) does not have the option to renew the franchise agreement; and
- (b) cannot extend the term of the franchise agreement;

the following statement must be included:

N/A.

## 19. AMENDMENT OF FRANCHISE AGREEMENT ON TRANSFER OF FRANCHISE

- 19.1. Whether the franchisor will amend (or require the amendment of) the franchise agreement on or before the transfer of the franchise.

The Franchisor will not require the amendment of the Franchise Agreement on or before the transfer of a Franchise but may offer the New / Incoming Franchisee a longer Term or Renewal Terms as well as the Franchisor's current form of Franchise Agreement.

## 20 EARNINGS INFORMATION

- 20.1. Earnings information may be given in a separate document attached to the Disclosure Document.

- 20.2. Earnings information includes the following information:

- (a) historical earnings data for:
  - (i) the franchised business; or
  - (ii) a franchise in the franchise system;
- (b) if subparagraph (a)(ii) applies - any differences between the franchise in the franchise system and the franchised business;
- (c) projected earnings for the franchised business and the assumptions on which those projections are based;
- (d) any other information from which historical or future earnings information of the franchised business can be assessed.



**20.3. If earnings information is not given - the following statement:**

The Franchisor does not give earnings information about an All Baby Hire Franchise.

Earnings may vary between Franchises.

The Franchisor cannot estimate earnings for a particular Franchise.

**20.4. Earnings information that is a projection or forecast must include the following details:**

- (a) the facts and assumptions on which the projection or forecast is based;
- (b) the extent of enquiries and research undertaken by the franchisor and any other compiler of the projection or forecast;
- (c) the period to which the projection or forecast relates;
- (d) an explanation of the choice of the period covered by the projection or forecast;
- (e) whether the projection or forecast includes depreciation, salary for the franchisee and the cost of servicing loans;
- (f) assumptions about interest and tax.

**21. FINANCIAL DETAILS****21.1. A statement of the franchisor's solvency that:**

- (a) reflects the franchisor's position:
  - (i) at the end of the last financial year; or
  - (ii) if the franchisor did not exist at the end of the last financial year - at the date of the statement; and
- (b) is signed by a least one director of the franchisor; and
- (c) gives the directors' opinion as to whether there are reasonable grounds to believe that the franchisor will be able to pay its debts as and when they fall due.

See Annexure 1

**21.2. Financial reports for each of the last two (2) completed financial years in accordance with sections 295 to 297 of the *Corporations Act 2001*, or a foreign equivalent of that Act applicable to the franchisor, prepared by the franchisor.**

See Annexure 2.

**21.3. If:**

- (a) the franchisor is part of a consolidated entity that is required to provide audited financial reports under the *Corporations Act 2001*, or a foreign equivalent of that Act applicable to the consolidated entity; and
- (b) a franchisee requests those financial reports;

financial reports for each of the last two (2) completed financial years prepared, by the consolidated Entity.

N/A

**21.4. Items 21.2 and 21.3 do not apply if:**

- (a) the statement under Item 21.1 is supported by an independent audit provided by:
  - (i) a registered company auditor; or
  - (ii) if the franchisor is a foreign franchisor - a foreign equivalent for that franchisor;

within four (4) months after the end of the financial year to which the statement relates; and

- (b) a copy of the independent audit is provided with the statement under Item 21.1.

**21.5. If the franchisor or consolidated entity (the *entity*) has not existed for 2 or more financial years, then instead of providing the financial reports mentioned in Item 21.2 or 21.3, the following:**

- (a) a statutory declaration of the entity's solvency;
- (b) an independent audit report on the entity's solvency as at the date of the entity's declaration.

N/A

**21.6. If the franchisor or consolidated entity (the *entity*) was insolvent in either or both of the last 2 completed financial years, the following:**

- (a) a statement of the period during which the entity was insolvent;
- (b) a statutory declaration of the entity's solvency;
- (c) An independent audit report on the entity's solvency as at the date of the entity's declaration.

**22. UPDATES****22.1. Any information given under clause 17 of the code that has changed between the date of the disclosure document and the date the disclosure document is given under the code.**

N/A.

**23. RECEIPT**

**23.1. On the last page of the disclosure document:**

- (a) a statement to the effect that the prospective franchisee may keep the disclosure document; and**
- (b) a form on which the prospective franchisee can acknowledge receipt of the disclosure document.**

**RECEIPT AND ACKNOWLEDGEMENT**

- A. 1. I, the undersigned, being the Franchisee or Prospective Franchisee hereby acknowledge that I have been advised by the Franchisor that I should obtain:
  - (a) Independent Legal Advice;
  - (b) Independent Accounting Advice;
  - (c) Independent Business Advisory Advice.
- 2. I acknowledge that I have rights in Clause 10 of the Code and that if I do not obtain all or any of the advices in A.1. I will execute the Waiver of my rights in the Franchise Agreement and that will contain an Acknowledgement that I have before executing the Franchise Agreement read and had a reasonable opportunity to understand the Disclosure Document and the Code.
  
- B. I the undersigned, being the Franchisee or Prospective Franchisee hereby acknowledge that the information supplied in this Disclosure Document is confidential and is forwarded to me for the purpose of evaluating the Franchisor’s offering of the Franchised Business and I agree to:
  - (a) Treat all of the information herein in a confidential manner and not to disclose the same to any other person other than any Solicitor, any Accountant or any Business Adviser whom I may consult in relation to the Franchise Agreement and the Franchised Business and otherwise to deal with information in accordance with the Confidentiality Agreement completed by me at the time of making application for this opportunity.
  - (b) Where I am signing this Agreement on behalf of others or a corporation I undertake that I have authority to make the statement for those persons or the Corporation.
  - (c) Immediately return the Franchise Agreement to the Franchisor if I do not wish to proceed with the selection process for this Franchise opportunity.
  
- C. I acknowledge receipt of the Disclosure Document Package as evidenced under by my signature and date, that Package containing:
  - (a) Disclosure Document with all Annexures;
  - (b) Franchise Agreement;
  - (c) Copy Code.

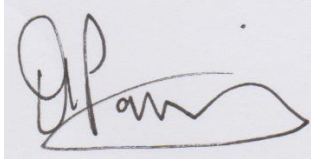
The Franchisee may keep the Disclosure Document Package.

.....  
Signature

.....  
Date

**ANNEXURE 1 - SOLVENCY STATEMENT**

I, David Parrish, a Director of the Franchisor state that the Franchisor was trading at the end of the last financial year and in my opinion there are reasonable grounds to believe that the Franchisor will be able to pay its debts as and when they fall due.



.....  
Signature  
**DAVID PARRISH**

4 February 2016

.....  
Date

**ANNEXURE 2 - FINANCIAL STATEMENTS**

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>INCOME</b>  |               |               |
| Forgiveness of Liabilities                               | -             | 11,849        |
| Commissions received                                     | 15,159        | 11,782        |
| Marketing levy received                                  | 2,253         | 1,453         |
|  | <u>17,412</u> | <u>25,084</u> |
| <b>EXPENSES</b>  |               |               |
| Accountancy  | 1,100         | -             |
| Advertising & Promotion                                  | 3,235         | 7,799         |
| Bad Debts  | -             | 1,996         |
| Bank Charges   | 42            | 42            |
| Computer Expenses  | 1,098         | 279           |
| Depreciation   | -             | 3,950         |
| Filing Fees  | 246           | 243           |
| Internet & website                                       | 590           | 720           |
| Licences, Registrations, Permits                         | 366           | 78            |
| Printing & Stationery                                    | -             | 6             |
| Sundry Expenses  | 418           | 164           |
|  | <u>7,095</u>  | <u>15,277</u> |
| <b>Profit from ordinary activities before income tax</b> | <u>10,317</u> | <u>9,807</u>  |

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached compilation  
report of Crowley Calvert & Associates Pty Ltd.

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

**BALANCE SHEET**  
**AS AT 30 JUNE 2016**

|                                  | Note | 2016<br>\$    | 2015<br>\$   |
|----------------------------------|------|---------------|--------------|
| <b>ASSETS</b>                    |      |               |              |
| <b>CURRENT ASSETS</b>            |      |               |              |
| Cash and cash equivalents        | 3    | <u>11,392</u> | <u>1,075</u> |
| <b>TOTAL CURRENT ASSETS</b>      |      | <u>11,392</u> | <u>1,075</u> |
| <b>TOTAL ASSETS</b>              |      | <u>11,392</u> | <u>1,075</u> |
| <b>LIABILITIES</b>               |      |               |              |
| <b>CURRENT LIABILITIES</b>       |      |               |              |
| Trade and Other Payables         | 4    | <u>1,057</u>  | <u>1,057</u> |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <u>1,057</u>  | <u>1,057</u> |
| <b>TOTAL LIABILITIES</b>         |      | <u>1,057</u>  | <u>1,057</u> |
| <b>NET ASSETS</b>                |      | <u>10,335</u> | <u>18</u>    |
| <b>EQUITY</b>                    |      |               |              |
| Issued capital                   |      |               |              |
| 10 Ordinary Shares of \$1 each   |      | 10            | 10           |
| Retained earnings                | 5    | <u>10,325</u> | <u>8</u>     |
| <b>TOTAL EQUITY</b>              |      | <u>10,335</u> | <u>18</u>    |

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached compilation  
report of Crowley Calvert & Associates Pty Ltd.



**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

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

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The financial statements cover the business of ABC Nursery Hire Pty Ltd and have been prepared to meet the needs of stakeholders and to assist in the preparation of the tax return.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of Preparation**

The Company is non reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

**2 Summary of Significant Accounting Policies**

**Impairment of Non-Financial Assets**

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

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

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**Cash and Cash Equivalents**

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

**Revenue and Other Income**

Revenue is recognised when the business is entitled to it.

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

**Other income**

Other income is recognised on an accruals basis when the company is entitled to it.

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

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

|   | 2016          | 2015         |
|---|---------------|--------------|
|   | \$            | \$           |
| <b>3 Cash and Cash Equivalents</b>  |               |              |
| Bendigo Bank General A/c 152456968  | 9,716         | 830          |
| Bendigo Bank Marketing A/c 152490462  | 1,676         | 245          |
|   | <u>11,392</u> | <u>1,075</u> |
| <b>4 Trade and Other Payables</b>   |               |              |
| <b>Current</b>  |               |              |
| Shareholder Loan D Parrish  | 523           | 523          |
| Shareholder Loan D & T Mullens  | 534           | 534          |
|   | <u>1,057</u>  | <u>1,057</u> |
| <b>5 Retained Earnings</b>  |               |              |
| Retained earnings (Accumulated losses) at the beginning of the financial year | 8             | (9,799)      |
| Net profit attributable to members of the company                             | 10,317        | 9,807        |
| Retained earnings at the end of the financial year                            | <u>10,325</u> | <u>8</u>     |

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

**DIRECTORS' DECLARATION**

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

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

**Director:** \_\_\_\_\_  
Mr David John Parrish

**Director:** \_\_\_\_\_  
Mr David Geoffrey Mullens

**Director:** \_\_\_\_\_  
Mrs Tracey Lee Mullens

**Dated this 19th day of October 2016**

**COMPILATION REPORT  
TO ABC NURSERY HIRE PTY LTD  
ABN: 77 125 014 226**

We have compiled the accompanying special purpose financial statements of ABC Nursery Hire Pty Ltd which comprise the balance sheet as at 30 June 2016, profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the additional information contained in the detailed profit and loss.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

**The responsibility of directors**

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting policies used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

**Our responsibility**

On the basis of the information provided by the directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled prepared exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

**Name of Firm:** Crowley Calvert & Associates Pty Ltd  
Chartered Accountants

**Name of Director:** \_\_\_\_\_  
Ross Andrew Calvert

**Address:** 7 Sixth Avenue, Palm Beach, Qld, 4221

**Dated this 19th day of October 2016**

**ANNEXURE 3 - MARKETING FUND FINANCIAL STATEMENTS**

**ABC NURSERY HIRE PTY LTD**  
**ABN: 77 125 014 226**

**PROFIT AND LOSS STATEMENT - MARKETING ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | 2016<br>\$   | 2015<br>\$   |
|---|--------------|--------------|
| <b>INCOME</b>   |              |              |
| Marketing levy received   | 2,252        | 1,453        |
|   | <u>2,252</u> | <u>1,453</u> |
| <b>EXPENSES</b>   |              |              |
| Advertising & Promotion   | 220          | 800          |
| Bank Charges  | 1            | 1            |
| Computer Expenses   | 275          | -            |
| Internet & website  | 326          | 407          |
|   | <u>821</u>   | <u>1,208</u> |
| <b>Profit (Loss) from ordinary activities before income tax</b> | <u>1,431</u> | <u>245</u>   |

The accompanying notes for part of these financial statements.  
These statements should be read in conjunction with the attached compilation  
report of Crowley Calvert & Associates Pty Ltd.

**ABC NURSERY HIRE PTY LTD**

**ABN: 77 125 014 226**

**SUMMARY OF BANK TRANSACTIONS  
FOR THE YEAR ENDED 30 JUNE 2016**

| <i>Deposits</i>    | <u>Marketing Levy Received</u> |                  |                  |                  |
|--------------------|--------------------------------|------------------|------------------|------------------|
|                    | J - S                          | O - D            | J - M            | A - J            |
|                    | 6.99                           | 12.85            | 62.85            | 48.03            |
|                    | 13.95                          | 27.15            | 7.45             | 65.50            |
|                    | 26.28                          | 29.90            | 27.30            | 146.32           |
|                    | 29.04                          | 15.80            | 65.69            | 39.38            |
|                    | 14.65                          | 65.33            | 95.38            | 9.94             |
|                    | 17.46                          | 2.00             | 8.65             | 12.95            |
|                    | 35.92                          | 18.05            | 12.05            | 30.55            |
|                    | 31.06                          | 144.40           | 24.80            | 103.60           |
|                    | 11.50                          | 61.65            | 32.55            | 55.15            |
|                    | 33.15                          | 65.10            | 69.20            | 43.00            |
|                    | 8.90                           | 11.15            | 5.60             | 0.18             |
|                    | 32.03                          | 21.80            | 16.50            | 0.12             |
|                    | 54.14                          | 56.29            | 10.35            | 43.12            |
|                    | 22.04                          |                  | 13.25            | 57.38            |
|                    | 6.00                           |                  | 6.10             |                  |
|                    | 6.73                           |                  | 12.70            |                  |
|                    | 5.65                           |                  | 76.19            |                  |
|                    | 13.60                          |                  | 95.38            |                  |
|                    | 54.45                          |                  |                  |                  |
| <b>\$ 2,252.22</b> | <b>\$ 423.54</b>               | <b>\$ 531.47</b> | <b>\$ 641.99</b> | <b>\$ 655.22</b> |

| <i>Payments</i>  | <u>Graphics</u>  | <u>Bank fees</u> | <u>Other</u>     | <u>Details</u> |
|------------------|------------------|------------------|------------------|----------------|
|                  | 40.70            | 0.80             | 275.00           | Phuture Tech   |
|                  | 40.70            |                  | 220.00           | Cue Media      |
|                  | 40.70            |                  |                  |                |
|                  | 40.70            |                  |                  |                |
|                  | 40.70            |                  |                  |                |
|                  | 40.70            |                  |                  |                |
|                  | 40.70            |                  |                  |                |
|                  | 40.70            |                  |                  |                |
| <b>\$ 821.40</b> | <b>\$ 325.60</b> | <b>\$ 0.80</b>   | <b>\$ 495.00</b> |                |

|                                |                           |
|--------------------------------|---------------------------|
| Bank balance @ 30/06/15        | \$ 245.58                 |
| Add: Deposits                  | \$ 2,252.22               |
|                                | <u>\$ 2,497.80</u>        |
| Less: Payments                 | \$ 821.40                 |
| <b>Bank balance @ 30/06/16</b> | <b><u>\$ 1,676.40</u></b> |



**ANNEXURE 4 - FRANCHISE AGREEMENT**

**ANNEXURE 5 - FRANCHISE CODE OF CONDUCT**

**ANNEXURE 6 - ACCC FRANCHISEE'S MANUAL**