

Hands Across the Water Australia

A.C.N. 124 112 983

Financial Report

For the Year Ended 30 June 2017

Hands Across The Water Australia

A.C.N. 124 112 983

DIRECTORS' REPORT

Your directors present this report on the Company for the financial year ended 30 June 2017.

Directors

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

Peter Baines

Larry Stein

Kay Spencer

William Moulden

James Fitzgerald – commenced 5th October 2016

Tricia Velthuisen – commenced 5th October 2016

Company Secretary

Peter Baines was appointed secretary on 29 October 2007. Peter has worked with the NSW Police between 1986 and 2008 specializing in Forensic Services since 1990. Peter is now a consultant.

Principal Activities

In accordance with its objects, the principal activities of the Hands Across the Water Australia are to provide and/or facilitate the provision of assistance to those in need which allow them to improve their lot in life and become self-sufficient within a specialized period of time for the benefit.

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

Operating Results

The accumulated surplus of Hands Across the Water Australia amounted to \$417,828 (2016: \$182,439). in the current year.

Review of Operations

The operations to the period ended 30 June 2017 have concentrated on establishing the foundations for the charity and identifying appropriate projects to support.

Dividends

In accordance with Hands Across the Water Australia's Constitution any profits of the Company are applied solely to the promotion of the objects of the Company and accordingly, no portion of income or property may be transferred, directly or indirectly, by way of dividend, bonus or otherwise to the Company's members.

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial period.

After Balance Date Events

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

Hands Across The Water Australia

A.C.N. 124 112 983

DIRECTORS' REPORT (continued)

Meetings of Directors

During the financial year, 8 meetings of directors were held.

Indemnifying Officer or Auditor

The Company has not during or since the end of the financial period in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Future Developments

The likely developments in the operations of Hands Across the Water Australia and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

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

Director Information

BAINES, Peter

Qualifications

Experience

Occupation

CEO

Diploma of Law – Sydney University

Diploma of Applied Science in Forensic Investigation – Canberra Institution of Technology

Assoc. Diploma in Criminal Justice – University of Western Sydney

Graduate Certificate in Management – AIPM

Consultant, keynote speaker

SPENCER, Kay

Qualifications

Experience

Occupation

Director & Chairperson

Business Management Diploma

Marketing Management Diploma

Member of the CEO Institute

Board member since September 2008

Director Narta International Pty Limited

Director Narta New Zealand Pty Limited

Director Australian Macadamia Society Limited

Previously a director of Sharp Corporation

Keynote speaker for the major financial institutions

Managing director, National Associated Retail Traders Association (NARTA) since 1998

Hands Across The Water Australia

A.C.N. 124 112 983

DIRECTORS' REPORT (continued)

Director Information (continued)

STEIN, Larry

Qualifications

Director & Board Member

Master of Arts/Communication – Central Michigan University 1993
Bachelor of Applied Arts (Communications) – Central Michigan University 1990

Nationally Certified Trainer & Assessor (TAA04)

Human Synergistics Accredited Practitioner OCE, OEI, LI, LSI, CSSS, GSI

Certified Speaking Professional (CSP) – National Speakers Association of Australia (NSAA)

Member, Australian Institute of Managements (AIM)

Accredited Practitioner, Neuro-linguistic Programming (NLP)

Experience

Board member since December 2006

Previous positions included Director of Compass Learning (resigned once business was sold)

Over 20 years of experience in Australia and the US in training and development and running of successful businesses

Occupation

Director, Vision Learning Pty Ltd. Employee since 2001

Director, The Learning Difference Pty Ltd

Director, Vision Property Trust

MOULDEN, William

Qualifications

Director & Board Member

Bachelor of Business – Kuringai College of Advanced Education

Certified Practising Accountant (CPA)

Experience

Board member since July 2010

Director Warren Saunders Insurance Brokers

Senior Executive Royal & Sun Alliance Asia Pacific 1998-2003

Occupation

Senior Executive Promina Group 2003-2007

Retired

FITZGERALD, James

Qualifications

Director & Board Member

Australian College of Radio Broadcasting, Melbourne

Experience

Broadcaster at various radio stations 1984-1990

Sales Executive at Triple M Brisbane 1990-1992

Sales Manager at Network Ten Sydney & Brisbane 1992-1999

Occupation

Owner & Managing Director – Media Merchants Advertising Agency since 1999

VELTHUIZEN, Tricia

Qualifications

Director & Board Member

Bachelor of Laws

Graduate Diploma of Legal Practice

Graduate Diploma of Strategic Leadership

Advanced Diploma of Program Management

Advanced Diploma of Leadership and Management

Experience

Admitted as a Solicitor of the Supreme Court of Queensland 1996 - 1999

Admitted as a Legal Practitioner ACT 1998 – current

Admitted as a Barrister of the Supreme Court of Queensland 1999 – current

Hands Across The Water Australia

A.C.N. 124 112 983

DIRECTORS' REPORT (continued)

Occupation	Crown Prosecutor, Office of the Director of Public Prosecutions Queensland 1997 – 2007 Creative Director, Train to Succeed 2006 – 2010 Creative Director, Churchill Education 2010 – 2015 CEO, Churchill Education from 2015 Director, Churchill Leadership from 2017
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Directors' and Executive Officers Emoluments

Except for that noted elsewhere in this report no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Proceedings on Behalf of Company

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

The Company was not a part to any such proceedings during the period.

Signed in accordance with a resolution of the Board of Directors



PETER BAINES

Director

Dated this 14th day of December 2017.

14th December 2017

The Board of Directors
Hands Across the Water Australia
87 Beechworth Rd
Pymble NSW 2073

Dear Board Members

Hands Across the Water Australia

In accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the Directors of Hands Across the Water Australia.

As lead audit partner for the audit of the financial report of Hands Across the Water Australia for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely

CROWE HORWATH SYDNEY



ASH PATHER
Partner

Hands Across The Water Australia

A.C.N. 124 112 983

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
Revenue	2	1,893,274	1,622,4443
Project expenses		(1,460,442)	(1,409,459)
Other expenses		(15,004)	(30,545)
Current year surplus before income tax		417,828	182,44039
Income tax expense		-	-
Surplus after income tax expense		417,828	182,440
Other comprehensive surplus		-	-
Total comprehensive surplus after tax		417,828	182,440

The accompanying notes form part of these financial statements

Hands Across The Water Australia

A.C.N. 124 112 983

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash at bank	3	1,858,761	1,440,933
TOTAL CURRENT ASSETS		<u>1,858,761</u>	<u>1,440,933</u>
TOTAL ASSETS		<u>1,858,761</u>	<u>1,440,933</u>
NET ASSETS		<u>1,858,761</u>	<u>1,440,933</u>
EQUITY			
Retained surplus		1,858,761	1,440,933
TOTAL EQUITY		<u>1,858,761</u>	<u>1,440,933</u>

The accompanying notes form part of these financial statements

Hands Across The Water Australia

A.C.N. 124 112 983

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2015	1,258,494	1,258,494
Surplus for the period	182,439	182,439
Balance at 30 June 2016	<u>1,440,933</u>	<u>1,440,933</u>
Balance at 1 July 2016	1,440,933	1,440,933
Surplus for the period	417,828	417,828
Balance at 30 June 2017	<u>1,858,761</u>	<u>1,858,761</u>

The accompanying notes form part of these financial statements

Hands Across The Water Australia

A.C.N. 124 112 983

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donations and book sales	1,893,272	1,622,441
Payments for project expenses	(1,475,446)	(1,440,004)
Interest received	2	3
Net cash provided by (used in) from operating activities	417,828	182,439
Net increase (decreases) in cash held		
Cash at beginning of the financial period	1,440,933	1,258,494
Cash surplus (deficit) arising from the year	417,828	182,439
Cash on hand at the end of the financial year	1,858,761	1,440,933

The accompanying notes form part of these financial statements

Hands Across The Water Australia

A.C.N. 124 112 983

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report covers the entity Hands Across the Water Australia as an individual entity. The Company is limited by guarantee, incorporated and domiciled in Australia.

The financial report of the Company complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Revenue

Donations are recognised as income when received. Interest is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

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

(b) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(c) Income Tax

The Company holds an endorsement as an income tax exempt charitable entity under the Income Tax Assessment Act 1997 therefore no income tax is payable.

(d) Cash and Cash Equivalents

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

Hands Across The Water Australia

A.C.N. 124 112 983

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Note 2: Revenue		
Donations	661,867	497,788
Sponsorship program	225,045	167,670
Fundraising events	1,006,360	956,983
Interest	2	3
Total income	1,893,274	1,622,443
Note 3: Cash and Cash Equivalents		
Cash at bank	1,858,761	1,440,933

Note 4: Remuneration and Retirement Benefits

The key management personnel did not receive any compensation for their services during the period.

Note 5: Financial Instruments

The Company's financial instruments consist of cash at bank.

Note 6: Interest Rate Risk

The Company has no material exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities.

Note 7: Contingent Liabilities and Contingent Assets

There are no contingent liabilities and contingent assets at balance date, which require disclosure.

Note 8: Segment Reporting

The Company operates with the object of providing and / or facilitating the provision of assistance to those in need which will allow them to improve their lot in life and become self-sufficient within a specified period of time for the benefit of their community.

Hands Across The Water Australia

A.C.N. 124 112 983

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2017

Note 9: Events After the Balance Sheet Date

No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

Note 10: Related Party Transactions

Hands Across the Water Australia has related party transactions with its commercial arm, Hands Across the Water Pty Ltd, which transfers any amounts raised through fundraising activities, and sales of merchandise and books back to the charity. All the profits earned are only transferred from Hands Across the Water Pty Ltd to the charity Hands Across the Water Australia. The Board of Directors are the same for both parties.

Note 11: Limitation of Liability by Guarantee

The extent of the guarantee by the members of the Company is less than or equal to \$10 per member. At 30 June 2017 the number of members was 6.

Note 12: Company Details

The registered office of the Company is:

Sashi Veale & Associates Pty Ltd
Suite 307 Norwest Central
12 Century Circuit
Baulkham Hills NSW 2153

The principal place of business is:

87 Beechworth Road
Pymble NSW 2073

Hands Across The Water Australia

A.C.N. 124 112 983

DIRECTOR'S DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 12, are in accordance with the Corporations Act 2001 and:
 - a) comply with the Australian Accounting Standards applicable to the Company; and
 - b) give a true and fair view of the financial position of the Company as at 30 June 2017 and of the performance for the period ended on that date of the Company

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.



PETER BAINES

Director

Dated this 14th day of December 2017

Independent Auditor's Report to the Members of Hands Across the Water Australia

Opinion

We have audited the financial report of Hands Across the Water Australia (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

CROWE HORWATH SYDNEY



ASH PATHER
Partner

Dated at Sydney this 13th day of December 2017

Hands Across the Water Australia A.C.N. 124 112 983

Disclaimer

The additional financial data presented in the detailed profit and loss statement is in accordance with the books and records of Hands Across the Water Australia, which have been subject to the auditing procedures applied in our statutory audit of the entity for the year ended 30 June 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability are given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein, however caused.

CROWE HORWATH SYDNEY



ASH PATHER

Partner

Hands Across The Water Australia

A.C.N. 124 112 983

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Revenue		
Donations received	661,867	497,787
Sponsorship program	225,045	167,670
Fundraising events	1,006,360	956,983
Interest	2	3
Total income	<u>1,893,274</u>	<u>1,622,443</u>
Expenses		
Bank charges	32	34
Donations to Thailand	1,422,983	1,359,933
English Language Program	37,459	49,526
Foreign exchange loss (a)	14,972	30,511
Total expenses	<u>1,475,446</u>	<u>1,440,004</u>
Surplus/ (deficit)	<u>417,828</u>	<u>182,439</u>

(a) Foreign Exchange Gain/ (Loss)

The Company holds a bank account denominated in Thai Baht. At year end and when transactions are settled in this currency, some currency conversion adjustments arise. Such adjustments are beyond the control of the Company and can either result in gains or losses upon translation to Australian dollar equivalents.