

Hands Across the Water Australia

A.C.N. 124 112 983

Financial Report

For the Year Ended 30 June 2016

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 2016.

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

Scott Raymond Evans

Resigned 15/02/2016

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 \$182,439 (2015: \$275,674) in the current year.

Review of Operations

The operations to the period ended 30 June 2016 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.

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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	CEO & Chairman
Qualifications	Diploma of Law – Sydney University
Experience	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
Occupation	Consultant, keynote speaker
SPENCER, Kay	Director & Board Member
Qualifications	Business Management Diploma Marketing Management Diploma Member of the CEO Institute
Experience	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
Occupation	Managing director, National Associated Retail Traders Association (NARTA) since 1998

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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

EVANS, Scott Raymond

Qualifications

Director & Board Member

Associate Diploma in Business Management 1994.

Experience

Board member since May 2010

Board member Game Farm Pty Ltd since 2005

Board member LSDA Pty Ltd since 2005

Board member of Indoguna Dubai LLC since 2007

Former director at Muirfield Golf Club (2002-2004)

Former director at Sunrise Pools Australia Pty Ltd

Executive committee position at Family Business Australia (NSW)

Chamber of Commerce (Galston, NSW) – Vice President (2003-2009)

Executive committee position at Poultry Industry Committee (NSW)

Executive committee position at Game Bird Industry (NSW)

Occupation

Advisory board member at Dynaweld Industrial Supplies Pty Ltd.

Managing Director – Game Farm Pty Ltd since 1994

Owner – Game Farm – Since 2005

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DIRECTORS' REPORT (continued)

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

A handwritten signature in black ink, appearing to be 'P. BAINES', enclosed within a large, hand-drawn oval.

PETER BAINES

Director

Dated this 24th day of February 2017.

Dear Board Members

Hands Across the Water Australia

In accordance with section 307C of the *Corporations Act 2001*, 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 2016, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**CROWE HORWATH SYDNEY****ASH PATHER**

Partner

Dated this 24th day of February 2017.

Hands Across The Water Australia

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		\$	\$
Revenue	2	1,622,443	2,456,862
Project expenses		(1,409,459)	(2,059,044)
Other expenses		(30,545)	(122,144)
Current year surplus before income tax		182,439	275,674
Income tax expense		-	-
Surplus after income tax expense		182,439	275,674
Other comprehensive surplus		-	-
Total comprehensive surplus after tax		182,439	275,674

The accompanying notes form part of these financial statements

Hands Across The Water Australia

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016	2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash at bank	3	1,440,933	1,258,494
TOTAL CURRENT ASSETS		<u>1,440,933</u>	<u>1,258,494</u>
TOTAL ASSETS		<u>1,440,933</u>	<u>1,258,494</u>
NET ASSETS		<u>1,440,933</u>	<u>1,258,494</u>
EQUITY			
Retained surplus		1,440,933	1,258,494
TOTAL EQUITY		<u>1,440,933</u>	<u>1,258,494</u>

The accompanying notes form part of these financial statements

Hands Across The Water Australia

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2014	982,820	982,820
Surplus for the period	275,674	275,674
Balance at 30 June 2015	1,258,494	1,258,494
Balance at 1 July 2015	1,258,494	1,258,494
Surplus for the period	182,439	182,439
Balance at 30 June 2016	1,440,933	1,440,933

The accompanying notes form part of these financial statements

Hands Across The Water Australia

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donations and book sales	1,622,441	2,433,422
Payments for project expenses	(1,440,005)	(2,181,188)
Interest received	3	23,440
Net cash provided by (used in) from operating activities	<u>182,439</u>	<u>275,674</u>
Net increase (decreases) in cash held		
Cash at beginning of the financial period	1,258,494	982,820
Cash surplus (deficit) arising from the year	182,439	275,674
Cash on hand at the end of the financial year	<u><u>1,440,933</u></u>	<u><u>1,258,494</u></u>

The accompanying notes form part of these financial statements

Hands Across The Water Australia

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Note 2: Revenue		
Donations	497,787	525,289
Sponsorship program	167,670	140,035
Fundraising events	956,983	1,743,098
Grants	-	25,000
Interest	3	23,440
Total income	<u>1,622,443</u>	<u>2,456,862</u>

Note 3: Cash and Cash Equivalents

Cash at bank	1,440,933	1,258,494
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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.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2016

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 2016 the number of members was 4.

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

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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 2016 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 24th day of February 2017

Hands Across the Water Australia

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

Report on the Financial Report

We have audited the accompanying financial report of Hands Across the Water Australia, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

Directors' Responsibility 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hands Across the Water Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

Qualification

As it is common for organisations of this type, it is not practicable for Hands Across the Water Australia to maintain an effective system of internal control over donations, subscriptions, and other fund-raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fund-raising activities was limited to the amounts recorded.

Qualified Audit Opinion

In our opinion, except for any effects on the financial report which may have arisen as a result of the matter referred to in the qualification paragraph, the financial report of Hands Across the Water Australia is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



CROWE HORWATH (AUST) PTY LTD



ASH PATHER

Partner

Dated this 24th day of February 2017

Crowe Horwath Sydney

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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 2016. 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 2016

	2016	2015
	\$	\$
Revenue		
Donations received	497,787	525,289
Grants	-	25,000
Sponsorship program	167,670	140,035
Fundraising events	956,983	1,743,098
Interest	3	23,440
Total income	<u>1,622,443</u>	<u>2,456,862</u>
Expenses		
Bank charges	34	18,123
Donations to Thailand	1,359,933	2,059,044
English Language Program	49,526	-
Foreign exchange loss (a)	30,511	104,021
Total expenses	<u>1,440,004</u>	<u>2,181,188</u>
Surplus/ (deficit)	<u>182,439</u>	<u>275,674</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.