

# HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC

A.C.N 070 556 642

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

# Financial Report Contents

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# Directors' Report

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The Directors present this report of the Hope for Cambodia Children Foundation Inc. (HOPE) for the year ended 30 June 2015.

## Legal Status

HOPE is an Incorporated Association registered by the Tasmanian Office of Consumer Affairs and Fair Trading under the Associations Incorporation Act 1964'

## Directors

### In office during the 2014-2015 year :

Jenny McAuley (*Chair*)  
Joy Smithers (*Deputy Chair*)  
Grahame Lewis (*Secretary*)  
Laurence Newman (*Public Officer*)  
Ross Smith (*Treasurer*)  
Craig Armstrong  
Tim Berry  
Michael Clarke (*deceased 25 October 2014*)  
John Kinsella  
Carol Leddon  
Andrew Noble  
Mike McAuley (*resigned 28 March 2015*)  
David McAuley  
Paul Henry (*appointed 8 November 2014*)  
Glen Streten (*appointed 8 November 2014*)

### In office at the date of this report:

Jenny McAuley (*Chair*)  
Joy Smithers (*Deputy Chair*)  
Grahame Lewis (*Secretary*)  
Laurence Newman (*Public Officer*)  
Ross Smith (*Treasurer*)  
Craig Armstrong  
Tim Berry  
John Kinsella  
Carol Leddon  
Andrew Noble  
David McAuley  
Glen Streten  
Paul Henry

## Principal Activity

The provision of charitable financial assistance for projects benefiting children and communities in Cambodia.

## Results

The net profit of the Foundation for the year ended 30 June 2015 was \$112,476 (2014: \$60,976)

## Review of Operations

The Foundation does not receive any Government grants. Our sole source income includes donations from the corporate community, individuals and the conducting of fundraising events. In the year ended 30 June 2015 the Foundation lifted fundraising income significantly while at

Hope for Cambodian Children Foundation Inc.

## Directors' Report (Continued)

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the same time strictly managing our cost base. As Cambodia develops the costs of operations continue to rise, this is one of the challenges that face Hope in the future.

### Significant changes in state of affairs

No significant changes in the state of affairs of the Foundation occurred during the financial year

### After balance date events

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

### Future developments

The Foundation expects to maintain the present status and level of operations and hence there are no likely developments in the Foundation's operations.

### Environmental issues

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory, however we are conscious of the impact our decisions have on the fragile Cambodian environment.

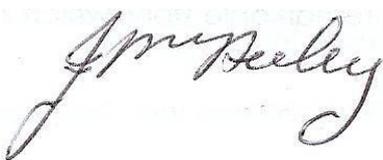
### Indemnifying officers or auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Foundation.

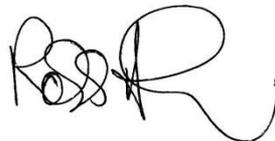
### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page of the financial report.

Signed in accordance with a resolution of the directors:



Director: Jenny McAuley – Chair



Director: Ross Smith - Treasurer

Dated: 20 August 2014

Sydney

Hope for Cambodian Children Foundation Inc.

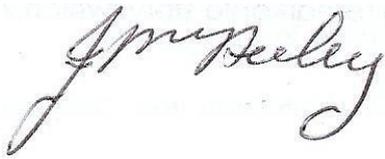
## Declaration by Directors

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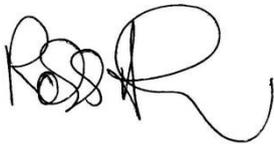
The Directors of the Hope for Cambodian Children Foundation Inc. declare that;

- (a) the financial report comprising the Income Statement, Balance Sheet and Cash Flows, and accompanying notes are in accordance with the Corporations Act 2001;
  - (i) give a true and fair view of the financial position as at 30 June 2015 and the performance for the year ended on that date of the Foundation
  - (ii) comply with the Accounting Standards and Corporations Regulations 2001; and
- (b) in the director's opinion, there are reasonable grounds to believe that the Foundation 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 directors of the Foundation and is signed for and on behalf of the Foundation by;



**Director: Jenny McAuley (Chair)**



**Director: Ross Smith (Treasurer)**

**Dated: 20 August 2015**

**Sydney**

Hope for Cambodian Children Foundation Inc.

## Income Statement for the year ended 30 June 2015

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	Note	2015 \$	2014 \$
Revenue from ordinary activities	2	561,752	354,422
Other expenses from ordinary activities	3	449,276	293,443
Profit and loss from ordinary activities		112,476	60,979
Income tax relating to ordinary activities		0	0
Net profit or (loss) from ordinary activities after income tax		112,476	60,979
<b>Accumulated Income (loss) at the end of the financial year</b>		<b>688,167</b>	<b>575,692</b>

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## Balance Sheet as at 30 June 2015

	Note	2015	2014
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>256,973</b>	116,558
Accounts Receivable	5	<b>12,572</b>	1,001
<b>Non-Current Assets</b>			
Land and Buildings	6	<b>433,277</b>	442,353
Furniture and Fittings	6	<b>8,207</b>	15,780
<b>Total Assets</b>		<b>711,029</b>	575,692
<b>Current Liabilities</b>			
<b>Total Current liabilities</b>		<b>22,862</b>	0
<b>Total Liabilities</b>		<b>22,862</b>	0
<b>Net Assets</b>		<b>688,167</b>	575,692
<b>Equity</b>	7	<b>688,167</b>	575,692

## Cash Flow Statement for year ending at 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flow from operating activities</b>			
Receipts from fundraising	11	561,752	354,422
Payments general administration		14,729	(8,520)
Payments fundraising expenses		133,145	(63,341)
Cambodian operation payments		301,402	(221,582)
<b>Net Cash provided by operating activities</b>		<b>112,476</b>	60,979
<b>Net increase in cash held</b>		<b>140,415</b>	83,084
Cash at beginning of the year		116,558	33,474
Cash at the end of the year		256,973	116,558
<b>Reconciliation of net cash provided by operations to net increase in cash held</b>			
<b>Net cash provided by operations</b>		<b>112,476</b>	60,979
Add Depreciation		16,649	16,649
Add Debtors decrease (increase)		(11,572)	6,428
Add Creditors Increase (Reduction)		22,862	(972)
<b>Net Increase in cash held</b>		<b>140,515</b>	83,084

Hope for Cambodian Children Foundation Inc.

## Notes forming part of the Financial Statements for the year ended 30 June 2015

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### **1 Statement of significant accounting policies**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report covers the activities of the economic entity which comprises of Hope for Cambodian Children Foundation Inc. which is incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on fair consideration given in exchange for assets. The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **a) Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The Incorporated Association's continued existence is ultimately dependent upon the success of future fund raising and sponsor support. If the Incorporated Association is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in its normal course of business and at amounts different from those stated in the financial report.

#### **b) Cash**

Cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

#### **c) Trade and Other Receivables**

Trade and Other receivables are recognised at the nominal transaction value without taking into account the time value of money.

#### **d) Trade Creditors and Other Payables**

Trade creditors and other payables are recognised at the nominal transaction value without taking into account the time value of money.

#### **e) Revenue and Other Income**

Fund Raising income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. The Incorporated Association is registered for goods and services tax (GST) as a charitable foundation. Revenues, expenses and assets are recognised net of GST (where applicable).

Hope for Cambodian Children Foundation Inc.

## Notes forming part of the Financial Statements for the year ended 30 June 2015

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### **f) Rounding of amounts**

Amounts in the financial report and Directors report have been rounded off to the nearest \$1.

### **g) Taxation**

The Foundation is exempt from the payment of income tax

### **h) Information required to be presented as a registered fundraiser.**

The Foundation is registered as a fundraiser in each State and Territory. As such certain information is required by the various fundraising regulators in each location. Specific purpose accounts have been prepared **See Note 11** which covers the general information usually required by each regulator.

Hope for Cambodian Children Foundation Inc.

Notes forming part of the Financial Statements for the year ended 30 June 2015 (continued)

## 2 Revenue

Revenue from ordinary activities was generated by the following

	2015	2014
	\$	\$
<b>INCOME</b>		
Events	183,935	52,255
General Donations	131,941	124,001
Gifts	0	420
Merchandise	360	521
Sponsorships	80,701	87,929
Ticket sales	164,815	85,400
HIV Prevention Mother to Baby	0	1500
Miscellaneous	0	2396
<b>TOTAL INCOME</b>	<b>561,752</b>	<b>354,422</b>

## 3 Operating result

Profit from ordinary activities before income tax expense has been determined after charging the following:

	2015	2014
	\$	\$
<b>General Administration Expenses</b>		
Bank Fees	345	551
Accounting Fees	7,500	5,040
Audit Fees	1,000	1,000
Other	5,884	1,929
<b>Total General Administration Costs</b>	<b>14,729</b>	<b>8,520</b>
<b>Fundraising Expenses</b>	<b>133,145</b>	<b>63,341</b>
<b>Cambodian Operating Costs</b>	<b>301,402</b>	<b>221,582</b>
<b>Total Expenses</b>	<b>449,276</b>	<b>293,443</b>

## 4 Cash Assets

Cash Assets consist of the following:

	2015	2014
	\$	\$
Cash at Bank:		
NAB - General Fund	2,040	701
NAB - Public Fund	252,522	113,446
Jesuit Mission (all call)	2,411	2,411
<b>Total Cash Assets</b>	<b>256,973</b>	<b>116,558</b>

Hope for Cambodian Children Foundation Inc.

Notes forming part of the Financial Statements for the year  
ended 30 June 2015 (continued)

**5 Accounts Receivable**

Accounts Receivable consists of the following:

	<b>2014</b>	<b>2013</b>
	\$	\$
GST Refundable	3,073	1,001
Trade Debtors	9,500	0
<b>Total Cash Assets</b>	<b>12,573</b>	<b>1,001</b>

**6 Non-Current Assets**

<b>2013-2014</b>	<b>Land</b>	<b>Buildings</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Original Cost</b>	150,485	363,858	73,733	588,076
<b>Accumulated depreciation B/F</b>		71,990	57,953	129,943
<b>Depreciation this year</b>		9,076	7,573	16,649
<b>Accumulated depreciation C/F</b>		81,066	65,526	146,592
<b>Written Down Value</b>	150,485	282,792	8,207	441,484

Depreciation charged on straight line basis 2.5% for Buildings and 10% for Furniture and fittings

<b>2013-2014</b>	<b>Land</b>	<b>Buildings</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Original Cost</b>	150,485	363,858	73,733	588,076
<b>Accumulated depreciation B/F</b>		62,914	50,380	113,294
<b>Depreciation this year</b>		9,076	7,573	16,649
<b>Accumulated depreciation C/F</b>		71,990	57,953	129,943
<b>Written Down Value</b>	150,485	291,868	15,780	458,133

Notes forming part of the Financial Statements for the year ended 30 June 2015 (continued)

**7 Changes in equity**

	<b>2015</b>	<b>2014</b>
	\$	\$
Accumulated funds at start of year	574,692	514,713
Profit (Loss) for the year	112,476	60,979
<b>Accumulated funds at end of year</b>	<b>688,168</b>	<b>575,692</b>

**8 Events subsequent to reporting date**

No events have occurred since reporting date which would have a material impact on the financial statements.

**9 Financial Instruments**

**(a) Financial Risk Management**

The Foundations financial Instruments are solely cash at the bank and on call with the Jesuit Mission.

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Cash and cash equivalents</b>	<b>256,973</b>	<b>116,558</b>

**Risk Management Policies**

The Board monitors all risks as part of its normal activities

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, as disclosed in the balance sheet and notes to the financial statements. The Foundation does not have any material credit risk exposure to any single debtor or group of debtors.

## Notes forming part of the Financial Statements for the year ended 30 June 2015 (continued)

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### **Interest Rate Risk**

The Foundation is not exposed to material interest rate risk

### **Liquidity Risk**

The Foundation manages its liquidity risk by the maintenance of 12 month rolling cash forecast budgets and thus able to predict periods where additional budget restraint or fundraising effort is required

### **Foreign Currency Risk**

Budgets for the Foundation's activities in Cambodia are based on \$US. As such there is a risk of currency fluctuations affecting the Foundation's operations. The Board is aware of these risks, continually monitors currency fluctuations and will take mitigating actions to lessen the risk where it is cost effective to do so.

### **(b) Net fair values**

The net fair value of financial assets and liabilities approximates their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes forming part of the financial statements.

## **10 Company Details**

The registered office of the Incorporated Association is;  
14 Howrah Road  
Howrah TAS 7016

The principal place of business is Sydney NSW  
Official mail address, PO Box 889 Surry Hills NSW 2010

Notes forming part of the Financial Statements for the year ended 30 June 2015 (continued)

**11 Information furnished for charitable fundraising purposes**

<b>(a) Details of aggregate gross income and total expenditure of fundraising appeals</b>	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Proceeds from fundraising appeals</b>		
Events	183,935	52,255
General Donations	131,941	124,001
Gifts	0	420
Merchandise	360	521
Sponsorships	80,701	87,929
Ticket sales	164,815	85,400
HIV Prevention Mother to Baby <sup>1</sup>	0	1500
Miscellaneous	0	2396
<b>Gross proceeds from fundraising appeals</b>	<b>561,752</b>	<b>354,422</b>
<b>Direct Costs of fundraising</b>	<b>133,145</b>	<b>63,341</b>
<b>Net Surplus from Fundraising appeals</b>	<b>428,607</b>	<b>291,081</b>
<b>(b) Statement showing how funds received are applied for charitable purposes</b>		
Cambodia Operating Costs	301,402	221,582
Administration costs Australia	14,729	8,520
<b>Total Expenses</b>	<b>316,131</b>	<b>230,102</b>
<b>SURPLUS (DEFICIT)</b>	<b>112,476</b>	<b>60,979</b>

<sup>1</sup> Mother to Baby donations included in Sponsorship category

Notes forming part of the Financial Statements for the year  
ended 30 June 2015 (continued)

**Note11: Information furnished for charitable fundraising purposes (continued)**

<b>(c) Comparison by monetary figures and percentages</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>
Gross proceeds from fundraising appeals	<b>561,752</b>	354,422
Total direct costs of fundraising appeals	<b>113,145</b>	63,341
Total Direct costs of fundraising as a percentage of gross proceeds from fundraising appeals	<b>20.14%</b>	17.81%
Net Surplus from fundraising appeals	<b>448,607</b>	291,081
Net Surplus from fundraising appeals as a percentage of Gross proceeds from fundraising appeals	<b>79.86%</b>	82.19%
Total cost of direct services	<b>301,402</b>	221,582
Total Expenditure (not including direct cost of fundraising)	<b>316,131</b>	230,102
Total cost of direct services as a percentage of total expenditure	<b>95.34%</b>	96.29%
Total Income received (including net profit from fundraising appeals)	<b>561,752</b>	354,422
Total cost of direct services as a percentage of total income	<b>53.65%</b>	62.51%

Hope for Cambodian Children Foundation Inc.

## Auditor's Independence Declaration

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In relation to my audit of the Financial Report of Hope For Cambodian Children Foundation Inc. for the year ended 30<sup>th</sup> June 2015, to the best of my knowledge and belief there have been no contraventions of the Auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Dated 25<sup>th</sup> November 2015

Signed



James Hilbert

**Principal**

SPECIALIST AUDITS PTY LTD

PO BOX 766

BRUNSWICK LOWER VIC 3056

# Audit Report to the Members of Hope for Cambodian Children Foundation Inc.

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## **INDEPENDENT AUDIT REPORT**

### **To the Committee of Management; of HOPE FOR CAMBOSIAN CHILDREN FOUNDATION INC**

#### **Report on the Financial Report**

I have audited the accompanying financial report of HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC. being a special purpose report which comprises the Statement of Financial position Statement of Financial performance, accompanying Notes (if any) and Director's Declaration for the year ended 30<sup>th</sup> June 2015

#### **Committee Responsibility for the Financial Report**

The committee is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies are appropriate to meet the requirements of the Committee of Management and are appropriate to meet the needs of the members of the foundation. The committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed whether the accounting policies used, are appropriate to meet the needs of the members of the foundation. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevance ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including these assessments 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 entity'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 of the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report. The financial report has been prepared for distribution to members of the foundation, for the purpose of fulfilling the foundation's reporting requirements. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members of the foundation, or for any purpose other than it was prepared.

I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the *Australian professional ethical pronouncements*

### ***Basis for Qualified Opinion***

1. By the nature of this entity and its associated branches there are significant amounts of cash donations and contributions, As a result there is no audit procedure that one can undertake to ensure all cash payments are recorded and reported. The audit restricted to reviewing amounts received as shown in the books and records of the **HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC.**
2. The remittance of funds overseas to Cambodia is a significant part of the financial commitment of this foundation and its purpose as set out in its constitution and minutes of operation. The use/dissemination of the monies remitted to Cambodia is not part of this audit process and no comment or opinion is given regarding the use or control of funds in Cambodia.

### ***Qualified Opinion***

In my opinion except for the effects of the adjustments on the financial statements, if any, as mentioned in the qualification paragraph, the specific purpose financial statements of the HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC. for the year ended 30<sup>th</sup> June 2015 is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia. The financial position of HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC. as at 30th June 2015 and the results of its operations and its cash flows for the year then ended.

Including:

- I. giving a true and fair view of the foundation's financial position as at 30<sup>th</sup> June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- II. present a view which is consistent with my understanding of the foundation's financial position and the results of its operations; and
- III. complying with Australian Auditing Standards to the extent described in Notes to accounts (if any) and complying with the *foundations constitution*.

Date: 25<sup>th</sup> November 2015

Auditor: James J Hilbert

Registration Number: 8944

Firm: Specialist Audits Pty Ltd

Signature:

