



for Cambodian children
A community-based care organisation

Hope for Cambodian Children Foundation Inc. A.B.N 82 131 966 197

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017



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Directors' Report

The Directors present this report of the Hope for Cambodia Children Foundation Inc. (HOPE) for the year ended 30 June 2017.

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 2016-2017 year :

Grahame Lewis (*Chair*)
Carol Leddon (*Deputy Chair*)
Annette Browning (*Secretary*)
Laurence Newman (*Public Officer –Res. April 2017*)
Ross Smith (*Treasurer*)
Jenny McAuley
Joy Smithers (*Resigned July 2016*)
Craig Armstrong
Michael Hunter (*Appointed October 2016*)
Tim Berry
John Kinsella (*Resigned October 2016*)
John Kinsella Jnr (*Appointed October 2016*)
Andrew Noble
David McAuley
Glen Streten
Paul Henry
Peter Butler (*Appointed October 2016*)

In office at the date of this report:

Grahame Lewis (*Chair*)
Carol Leddon (*Deputy Chair*)
Annette Browning (*Secretary*)
Megan Ayliffe (*Public Officer –Appt. April 2017*)
Ross Smith (*Treasurer*)
Jenny McAuley
John Kinsella Jnr
Craig Armstrong
Tim Berry
Andrew Noble
David McAuley
Glen Streten
Paul Henry
Michael Hunter
Peter Butler

Principal Activity

A Community-Care organisation providing charitable financial and sustainable assistance for projects benefiting children and communities in Cambodia.

Results

The net profit of the Foundation for the year ended 30 June 2017 was \$105,049 (2016: \$139,121)

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 2017 the Foundation continued to increase fundraising income significantly while at 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.

Hope for Cambodian Children Foundation Inc.

Directors' Report (Continued)

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 expand its operations in the coming year as a result of the signing of a Memorandum of Understanding with the Cambodian Government.

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: Grahame Lewis – Chair



Director: Ross Smith - Treasurer

Dated: 10 September 2017

Sydney

Declaration by Directors

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 2017 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: Grahame Lewis (Chair)



Director: Ross Smith (Treasurer)

Dated 10 September 2017

Sydney



Hope for Cambodian Children Foundation Inc.

Income Statement for the year ended 30 June 2017

	NOTE	2017 \$	2016 \$
Revenue from ordinary activities	2	696,660	615,506
Other expenses from ordinary activities	3	591,610	476,385
Profit and loss from ordinary activities		105,049	139,121
Income tax relating to ordinary activities		0	0
Net profit or (loss) from ordinary activities after income tax		105,049	139,121
Accumulated Income (loss) at the end of the financial year		932,337	827,288

Balance Sheet as at 30 June 2017

	Note	2017	2016
Current Assets			
Cash and cash equivalents	4	524,158	372,292
Accounts Receivable	5	6,396	21,414
Non-Current Assets			
Land and Buildings	6	415,125	424,201
Furniture and Fittings	6	0	634
Motor Vehicles	6	9,498	14,247
Total Assets		955,177	832,788
Current Liabilities	7	22,840	5,500
Total Liabilities		22,840	5,500
Net Assets		932,337	827,288
Equity	8	929,863	827,288



Hope for Cambodian Children Foundation Inc.

Cash Flow Statement for year ending at 30 June 2017

Cash flow from operating activities	Note	2017 \$	2016 \$
Receipts from fundraising	11	696,660	627,918
Payments general administration		16,874	14,314
Payments fundraising expenses		181,705	151,242
Cambodian operation payments		393,030	323,240
Capital Purchases		0	23,744
Net Cash provided by operating activities		105,049	139,121
Net increase in cash held		151,866	115,319
Cash at beginning of the year		372,292	256,973
Cash at the end of the year		524,158	372,292
Reconciliation of net cash provided by operations to net increase in cash held			
Net cash provided by operations		105,049	139,121
Add Depreciation		14,459	26,146
Add Debtors decrease (Increase)		15,018	(8,842)
Add Creditors Increase (Reduction)		17,340	(17,362)
Add Fixed asset increase		0	(27,344)
Net Increase in cash held		151,866	115,319

Notes forming part of the Financial Statements for the year ended 30 June 2017

Note 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 2017

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.

Note 2 Revenue

Revenue from ordinary activities was generated by the following

REVENUE SOURCE	2017 \$	2016 \$
Event Auctions	114,890	62,750
General Donations	115,861	95,781
Charity Ride Donations	131,651	192,527
Schools	24,427	15,295
Sponsorships - Children	42,691	69,540
Sponsorships - Projects	47,600	0
Ticket sales	219,540	192,025
TOTAL INCOME	696,660	627,918

Notes forming part of the financial statements for the year ended
30 June 2017 (continued)

Note 3 Operating Result

	2017	2016
Profit from ordinary activities before income tax expense has been determined after charging the following:	\$	\$
General Administration Expenses		
▪ Bank Fees	432	170
▪ Accounting & Legal Fees	12,965	10,059
▪ Audit Fees	1,350	1,000
▪ Other	2,128	3,085
Total General Administration Costs	16,875	14,314
Fundraising Expenses	181,705	151,242
Cambodian Operating Costs	393,030	323,241
Total Expenses	591,610	488,797

Note 4 Cash Assets

	2017	2016
Cash Assets consist of the following:	\$	\$
Cash at Bank:		
NAB - General Fund	26	319
NAB - Public Fund	380,367	235,593
\$US Currency Account (Australian \$ equivalent)	141,354	133,969
Jesuit Mission (all call)	2,411	2,411
Total Cash Assets	524,158	372,292

Note 5 Accounts Receivable

	2017	2016
Accounts Receivable consists of the following:	\$	\$
GST Refundable	6,396	4,990
Trade Debtors	0	16,424
Total Accounts Receivable	6,396	21,414



Hope for Cambodian Children Foundation Inc.

Notes forming part of the Financial Statements for the year ended
30 June 2017 (continued)

Note 6 Non-Current Assets

2016-2017	Land	Buildings	Furniture & Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Original Cost	150,485	363,858	73,733	23,744	611,820
Accumulated depreciation B/F		90,142	73,099	9,497	172,738
Depreciation this year		9,076	634	4,749	14,459
Accumulated depreciation C/F		99,218	73,733	14,246	187,197
Written Down Value	150,485	264,640	0	9,498	424,623

2015-2016	Land	Buildings	Furniture & Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Original Cost	150,485	363,858	73,733	23,744	611,820
Accumulated depreciation B/F		81,066	65,526	0	146,592
Depreciation this year		9,076	7,573	9,497	26,146
Accumulated depreciation C/F		90,142	73,099	9,497	172,738
Written Down Value	150,485	273,716	634	14,247	439,082

Depreciation charged on straight line basis 2.5% for Buildings, 20% for Motor Vehicles & 10% for Furniture and fittings

Note 7 Current Liabilities

Current Liabilities consists of the following:

	2017	2016
	\$	\$
Account Payable	22,840	5,500
Total Current Liabilities	22,840	5,500

Notes forming part of the Financial Statements for the year ended 30 June 2017 (continued)

Note 8 Changes in equity

	2017 \$	2016 \$
Accumulated funds at start of year	827,288	688,167
Profit (Loss) for the year	105,049	139,121
Accumulated funds at end of year	932,337	827,288

Note 9 Events subsequent to reporting date

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

Note 10 Financial Instruments

(a) Financial Risk Management

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

	2017 \$	2016 \$
Cash and cash equivalents	524,158	372,292

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.



Hope for Cambodian Children Foundation Inc.

Notes forming part of the Financial Statements for the year ended 30 June 2017 (continued)

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. This year the foundation has opened a \$US account which helps to mitigate this risk.

(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.

Note 11 Company Details

The registered office of the Incorporated Association is;

37 Derwent Water Avenue,
Sandy Bay TAS 7005

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 2017 (continued)

NOTE 12 INFORMATION FURNISHED FOR CHARITABLE FUNDRAISING PURPOSES

(a) Details of aggregate gross income and total expenditure of fundraising appeals	2017	2016
	\$	\$
Proceeds from fundraising appeals		
Event Auctions	114,890	62,750
General Donations	115,861	95,781
Charity Ride Donations	131,651	192,527
Schools	24,427	15,295
Sponsorships -	42,691	69,540
Sponsorships - Projects	47,600	0
Ticket sales	219,540	192,025
Gross proceeds from fundraising activities	696,660	627,918
Direct Costs of fundraising	181,705	151,242
Net Surplus from Fundraising	514,955	476,676
Total Expenses	409,906	337,555
SURPLUS (DEFICIT)	105,049	139,121



ope for Cambodian Children Foundation Inc.

Notes forming part of the Financial Statements for the year ended 30 June 2016 (continued)

Note12: Information furnished for charitable fundraising purposes (continued)

(c) Comparison by monetary figures and percentages

	2017 \$	2016 \$
Gross proceeds from fundraising appeals	696,660	627,918
Total direct costs of fundraising appeals	181,705	151,242
Total Direct costs of fundraising as a percentage of gross proceeds from fundraising appeals	26.08%	24.09%
Net Surplus from fundraising appeals	514,955	476,676
Net Surplus from fundraising appeals as a percentage of Gross proceeds from fundraising appeals	73.92%	75.91%
<hr/>		
Total cost of direct services	393,030	323,241
Total Expenditure (not including direct cost of fundraising)	409,906	337,555
Total cost of direct services as a percentage of total expenditure	95.88%	95.76%
Total Income received (including net profit from fundraising appeals)	696,660	627,918
Total cost of direct services as a percentage of total income	56.41%	52.47%

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Footscray Vic 3011
Australia

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC
A.B.N. 82 131 966 197**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

- (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.



Name of Auditor: Frederik R.L. Eksteen

Date: 14 December 2017

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

TOWARDS A VISION SHARED

**HOPE FOR CAMBODIAN CHILDREN FOUNDATION INC
A.B.N. 82 131 966 197
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

Opinion

I have audited the accompanying financial report of Hope For Cambodian Children Foundation Inc. (the Association), which comprises the balance sheet as at 30 June 2017, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the financial report of the Association is in accordance with the Associations Incorporations Act 1964 (TAS), including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2017 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and the Associations Incorporations Act 1964 (TAS).

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Association in accordance with 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 my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

TOWARDS A VISION SHARED

Auditor's Responsibilities for the Audit of the Financial Report

My 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.



Frederik Ryk Ludolf Eksteen CA

Collins & Co
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 14th day of December 2017.