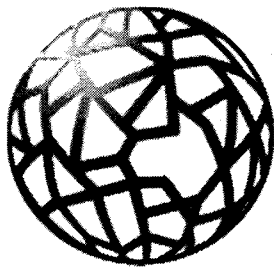


Surf Aid International Australia Limited

ABN 31 111 343 287

Annual Report 2017



ACFID
MEMBER

Surf Aid International Australia is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management. These financial statements have been prepared in accordance with the Code of Conduct.

More information about the ACFID Code of Conduct can be obtained from Surf Aid International Australia at

Website: www.surfaid.org and from ACFID at:

Website: www.acfid.asn.au Email: code@acfid.asn.au

Tel: (02) 6285 1816

STATEMENT OF SURF AID INTERNATIONAL AUSTRALIA LIMITED'S GOALS OR PURPOSES

Our Mission

The mission of Surf Aid International Australia Limited, a non-profit humanitarian organisation, is to improve the health, wellbeing and self-reliance of people living in isolated regions connected to us through surfing.

SUMMARY OF OVERALL PROGRAM ACTIVITIES AND NAMES

SURF AID INTERNATIONAL AUSTRALIA LIMITED ("Surf Aid") www.surfaid.org

Surf Aid implements mother and child health programs, including water and sanitation projects, and emergency relief in the Mentawai and Nias islands off the western coast of Sumatra, and Sumba and Sumbawa in eastern Indonesia. These are culturally and geographically isolated regions where nutrition is generally poor and the people suffer from a high prevalence of treatable and preventable diseases.

BACKGROUND

Founded in 2000 by a small volunteer group of surfers in New Zealand, Surf Aid has grown into fully international organisation and has strong support in Australia, New Zealand and the United States. In 2014 Surf Aid merged with Sumba Foundation Australia, with a full mother and child health project commencing in Sumba in 2015.

The growth of Surf Aid has been strongly impacted by natural disasters. Prior to the 2004 Asian Tsunami, Surf Aid's resources were limited and focused on a malaria control program. As the only frontline humanitarian organisation operating in the region at the time of the tsunami, Surf Aid mounted an emergency response that was largely funded by the Australian and New Zealand Governments, and the surfing industry. Surf Aid was also at the frontline of the Nias earthquake three months later in 2005. Following the success of those responses, Surf Aid broadened its program and continues to respond to natural disasters, the most recent being the September 2009 earthquake in Padang, the October 2010 earthquake and tsunami in the Mentawai Islands and 2016 floods in Bima, Sumbawa.

For the past thirteen years Surf Aid has been delivering development programs focused on mother and child health (MCH) and emergency preparedness in remote areas of Indonesia that are connected to us through surfing.

PROGRAM LINEUP

Surf Aid supports those people living in isolated regions and remote areas, who are often forgotten. Often they can't access basic public services, either because there are no services, or because they are too far away. Also the quality of available services are often far below national standards. This directly results in unnecessary deaths, especially among pregnant women and children under five. It also contributes to current unacceptably high levels of malnutrition, diarrhoea and acute respiratory infections in children under five. Delivering services in remote areas is costly, time-consuming and requires serious effort.

Surf Aid's current projects are focused on mother and child health and initiatives to sustain MCH activities. The main targets for the mother and child health promotion program are mothers and pregnant women. In the design of the programmes we put mothers at the centre as the main actors to be influenced for behaviour change. We recognise that many factors, people and institutions influence mothers. Surf Aid believes that MCH can only be improved if basic health structures are in place and adequately equipped; if staff and volunteers are well trained, able and motivated to deliver appropriate health services; if mothers and caregivers understand and practise healthy behaviours and there is a positive environment to support and foster improved health behaviours. Therefore, we create interventions for all these different actors and institutions, to ensure the right environment is created to support MCH, and barriers to change are removed. Barriers to change include: a lack of access to clean water, limited access to nutritious foods, a lack of confidence in the existing health systems and the lack of a supporting environment.

Following the Indonesian national strategy and existing structures, the natural entry point for intervention is the Posyandu and the community health volunteers (kader). Each sub-district has a basic public health centre (Puskesmas) that employs medically trained health professionals. Staff travel monthly to communities to deliver Posyandu services and are assisted by the kaders. Posyandu focuses on health issues relating to mothers, children and pregnant women. The quality of Posyandu services varies greatly. There is a direct correlation between poor Posyandu services and high levels of isolation and poverty. At the start of our work in each of our project sites the Posyandu services were of poor quality.

In summary, our MCH programmes include a mix of training and practical support to strengthen community knowledge and achieve positive behavioural change across the community.

- Partnering with communities to construct safe water facilities, and providing education on sanitation, increased the use of clean water and correct sanitation practices.
- Posyandu are now equipped with appropriate equipment, and kader and health professionals have now been trained to increase their knowledge around translating national strategies into locally relevant healthy living practices. Once this has been achieved, volunteer groups are trained in income generation to support continual improvement in the posyandu service.

Currently, we have Mother and Child health or successor livelihoods and nutrition programs in-

Nias – EHOWU2, Enhance Health of Women and Children Under five. EHOWU is a word from the local Nias language. No one exact translation covers it, but it can be described as a seed that grows and develops, benefits, or has advantage for the community from generation to generation. It also resonates with 'Yahowu', the local greeting.

Mentawai – Katuerukat - Resilient families through community based economic development Keluarga Tangguh dengan Usaha Ekonomi Rakyat Untuk Kesejahteraan masyarakat Katuerukat means Prosperous, in the Mentawai language.

Sumbawa - SIMBO - means growing into a bigger shape; become bigger, or developing.

Mbojo is a word in the Bima language, meaning Bima people. So Simbo means: Healthy mothers and Children in Bima!

In March 2015 we commenced in **Sumba** with **HAWUNA** - Hidup sehAt dan Wahana Usaha maNdiri di laboyA barat. Hawuna means to come together, one-ness, working together for a purpose in the Gaura / West Sumba Language. This captures the program's focus on healthy living and opportunities for self reliance in Laboya Barat.

These projects all have clean water and nutrition components. We completed a three year Emergency Preparedness project in the islands west of Sumatra in May 2014. In 2016 we completed a four year long-term recovery project with the communities most impacted by the 2010 tsunami.

CEO's Message

Surf Aid supports people in isolated regions connected to us through surfing, currently in four island locations in Indonesia, 2016-17 saw our greatest successes yet with our mother and child health projects. Our delivery model for MCH in remote areas of Indonesia has now been proven in three locations across the archipelago. Projects in Nias, Mentawai and Sumbawa have been successfully delivered, with our Sumba project on track in its third year.

In the April 2016 to March 2017 year Surf Aid, working with our partner communities; trained 1706 people, built or improved 306 water facilities and measurably improved community health services in 68 villages. These results are a massive tribute to the villagers who are striving to improve their children's lives, our staff who live with them to trigger changes in behaviour, and the belief and support of our donors and ambassadors.

CURRENT MEMBERS OF GOVERNING BODY

Chair - Charlie Lanchester

Appointed March 2011

Charlie is Head of Australian Fundamental Equities at BlackRock Asset Management Australia Limited. Charlie has 19 years industry experience, including 10 years at Perpetual. Prior to joining Perpetual, Charlie was Global Communications Analyst at Platinum Asset Management and a UK Equities Analyst at Schroders in London.

Director – Ray Wilson

Appointed October 2004

Ray Wilson is a Director of the Plenary Group, an infrastructure development company specialising in the structuring, development and ownership of public private partnership projects.

Prior to joining Plenary Group, Ray spent eleven years at ABN AMRO responsible for a market leading business in infrastructure financing. Prior to joining ABN AMRO, Ray was a chartered accountant with Price Waterhouse, Sydney.

Director – Dr Stephen Nolan

Appointed 10 February 2015

Stephen works as a Respiratory and Intensive Care Physician in Sydney. He has skills in the organisation of medical services and their provision to the community. He is currently the Director of Medical Services in a large private hospital and also the Director of Medicine in an Area Health Service in Sydney which serves more than 1 million people.

Director – Jason Collins

Appointed 10 February 2016

Jason is a Managing Director and Head of Institutional Client Business, Australia at BlackRock Australia. Jason has over 15 years' experience in funds management and investment banking. He was Chief Operating Officer and head of Australia at the Ascalon group, a private equity business that is owned by Westpac. Previously Jason headed up the Australian business and was a Director of Communications and Marketing at Deutsche Bank Asia Pacific.

Director – Neil Helm

Appointed 29 February 2016

Neil is a banking and financial services professional with over 25 years of experience in the UK, USA, Hong Kong and Australia. Neil has been a long term supporter of Sumba Foundation Australia and Surf Aid. He was CEO and MD of OzForex for over eight years and previously Director with Macquarie Group for over 9 years.

Director – Karen Simmons
Appointed 29 February 2016

Karen is a specialist in navigating organisational change building leadership capabilities. Karen has over 25 years of experience in Europe, the USA and Asia Pacific; including with international development organisation Volunteer Service Overseas in Papua New Guinea and with New South Wales Treasury and Qantas.

Director – Reaymond McGuinness
Appointed 16 June 2016

Reay has practiced as a litigator for 25 years. He is currently a partner with Webb Henderson, having previously led a large team as partner with a leading national law firm. Reay's focus has recently included securities law, regulatory inquiries and large scale contractual disputes. Reay has been the highest ranked small firm litigator in Chambers in New South Wales for the past 8 years and has also been ranked in Best Lawyers during that time.



WalterAllanHall
ASSURANCE & FINANCIAL REPORTING

The Board of Directors
Surf Aid International Australia Limited
681 Barrenjoey Road
Avalon NSW 2107

Dear Board Members

SURF AID INTERNATIONAL AUSTRALIA LIMITED

Auditors Independence Declaration under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* To the Directors of Surf Aid International Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017 there has been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

Don Walter
Director
Walter Allan Hall Pty Ltd
Authorised Audit Company 424505

Dated: 31 August 2017

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WalterAllanHall

Level 1 Suite 126 117 Old Pittwater Road BROOKVALE NSW 2100
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Walter Allan Hall Pty Ltd, Authorised Audit Company 424505 **ABN** 39 158 928 011

Liability Limited by a scheme approved under the Professional Standards Legislation



Comments, Complaints and Compliments

Surf Aid International Australia is a member of the Australian Council for International Development (ACFID). Surf Aid is a signatory to the ACFID Code of Conduct, to which it fully adheres. The Code requires members to meet high standards of corporate governance, public accountability and financial management. Complaints relating to alleged breaches of the Code of Conduct by any signatory agency can be made by any member of the public to the ACFID Code of Conduct Committee.

More information about the ACFID Code of Conduct can be obtained from Surf Aid International and from ACFID at: W: www.acfid.asn.au E: code@acfid.asn.au

You can contact Surf Aid with your feedback, comments, complaints and compliments at:
feedback@surfaid.org | (AU) + (61) 2 9965 7325 | (IN) 061 8211 215

Surf Aid International Australia Limited

ABN 31 111 343 287

DISCUSSION AND ANALYSIS OF THE 2017 FINANCIAL STATEMENTS

The concise financial statements are an extract from the full financial statements for the year ended 31 March 2017 which are available on the website. The financial statements and disclosures in the concise financial statements have been derived from the 2017 financial statements of Surf Aid International Australia Limited. A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request.

The concise financial statements cannot be expected to provide as full an understanding of the financial performance, financial position, financing and investing activities of Surf Aid International Australia Limited as the full financial statements.

The discussion and analysis is provided to assist members in understanding the concise financial statements. The discussion and analysis is based on the Surf Aid International Australia Limited financial statements.

Statement of Comprehensive Income

The net surplus before income tax for the year was \$10,365 being a decrease of \$24,242 from the 2016 net surplus of \$34,607.

Statement of Financial Position

Total assets decreased by \$45,060 from \$218,809. This is represented by a decrease in prepayments and a decrease in cash.

In total, net assets have increased by \$10,365 which represents the net surplus for the year.

Statement of Cash Flow

The cash at end of the financial year has decreased predominantly due to the decline in event income and timing of funding received from DFAT to Indonesia.

FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL AUSTRALIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

REVENUE	2017	2016
	\$	\$
Donations and Gifts – monetary	812,522	734,683
Bequests and Legacies		
Grants		
DFAT	150,000	210,000
Other Australian	-	-
Other Overseas	-	-
Investment Income	643	1,498
Other Income	519,562	724,475
Revenue for International Political or Religious Adherence Promotion Programs	-	-
TOTAL REVENUE	1,482,727	1,670,656
EXPENSES		
Overseas Projects		
Funds to Overseas Projects	703,526	790,751
Project Support Costs	139,573	146,877
Community Education	74,383	81,219
Fundraising Costs		
Public	404,103	447,080
Government and multilaterals	-	-
Administration	150,777	170,122
International Political or Religious Adherence Promotion Programs Expenditure	-	-
TOTAL EXPENSES	1,472,362	1,636,049
Excess of revenue over expenses from continuing Operation	10,365	34,607
Other comprehensive income for the year	-	-
Total comprehensive (loss) income for the year	10,365	34,607

The accompanying notes form part of this concise financial report

FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL AUSTRALIA LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	144,965	157,839
Trade and other receivables	24,979	60,970
Total current assets	<u>169,944</u>	<u>218,809</u>
Non-current assets		
Plant and Equipment	3,805	-
Total non-current assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>173,749</u>	<u>218,809</u>
LIABILITIES		
Current liabilities		
Trade and other payables	60,702	104,987
Short-term Provisions	8,345	16,256
Total current liabilities	<u>69,047</u>	<u>121,243</u>
Non Current liabilities		
Long-term provisions	20,897	24,126
Total Non Current liabilities	<u>20,897</u>	<u>24,126</u>
TOTAL LIABILITIES	<u>89,944</u>	<u>145,369</u>
NET ASSETS	<u>83,805</u>	<u>73,440</u>
EQUITY		
Accumulated Surplus	83,805	73,440
TOTAL EQUITY	<u>83,805</u>	<u>73,440</u>

The accompanying notes form part of this concise financial report

FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL AUSTRALIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 April 2016	73,440	-	73,440
Excess of revenue over expenses	10,365	-	10,365
Amount transferred (to) from Reserves	-	-	-
Balance at 31 March 2017	83,805	-	83,805

The accompanying notes form part of this concise financial report

**FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL
AUSTRALIA LIMITED**

**TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES
FOR THE YEAR ENDED 31 MARCH 2017**

	Cash available at beginning of year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at end of year \$
Designated Purpose EHOWU (DFAT)	-	135,680	(135,666)	14
Designated Purpose WATSAN Nias (General Public)	5,000	8,500	(13,000)	500
Designated Purpose Masokut School Construction (General Public)	16,182	-	-	16,182
Total for other non-designated purposes	136,657	1,333,756	(1,342,144)	128,269
TOTAL	157,839	1,477,936	(1,490,810)	144,965

FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL AUSTRALIA LIMITED

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL STATEMENTS

The concise financial statements are an extract from the full financial statements for the year ended 31 March 2017. The concise financial statements have been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements, specific disclosures and other information included in the concise financial statements are derived from, and are consistent with, the full financial statements of Surf Aid International Australia Limited. The concise financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Surf Aid International Australia Limited as the full financial statements. A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request.

The financial statements of Surf Aid International Australia Limited comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety as they relate to not-for-profits. The presentation currency used in these concise financial statements is in Australian dollars.

2 Revenue

	2017	2016
	\$	\$
- Donations and bequests	812,522	734,683
- Grants received	150,000	210,000
- Other income	727	432
- Interest income	643	1,498
- Events-income	409,466	556,042
- Affiliate income	87,576	125,101
- Sponsorship	21,793	42,900
	1,482,727	1,670,656

DIRECTORS' DECLARATION

The directors of Surf Aid International Australia Limited declare that the concise financial statements for the financial year ended 31 March 2017, as set out on pages 10 to 14:

- a. comply with Accounting Standard AASB 1039: Concise Financial Reports; and
- b. are an extract from the full financial statements for the year ended 31 March 2017 and have been derived from and are consistent with the full financial statements of Surf Aid International Australia Limited.

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

Director:



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Charlie Lanchester

Dated this 31st day of August 2017