

Surf Aid International Australia Limited

ABN 31 111 343 287

Financial Statements

For the Year Ended 31 March 2017

Surf Aid International Australia Limited

ABN 31 111 343 287

For the Year Ended 31 March 2017

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Surf Aid International Australia Limited

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Directors' Report

31 March 2017

Your directors present their report on the company for the financial year ended 31 March 2017 and the auditor's report thereon.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Mr Ray John Wilson
Mr Paul Mitchell (Resigned 17 May 2016)
Mr Charlie Lanchester
Mr Mathew Gilmour (Resigned 17 May 2016)
Dr Stephen Nolan
Mr Jason Collins
Mr Neil Helm
Ms Karen Simmons
Mr Raymond McGuinness (Appointed 16 June 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year - Mr Ray Wilson.

Principal Activities

SurfAid, in partnership with communities and government, works to prevent disease, suffering and death through educational programs and health promotion that aim to change poor health behaviours and reduce the risk from natural disasters.

SurfAid's goal is to empower communities to help themselves and build local capacity so their improved health resilience is sustainable. We advocate health and wellbeing for all and create collaborative relationships with other stakeholder groups wherever we can so as to further sustained change in behaviour and development.

Our community-based health programs involve education in nutrition, hygiene, healthy environments, and disease prevention, including mosquito net distribution. In response to an unfortunately frequent need, we have delivered practical, locally based Emergency Responses.

There have been no significant changes in the nature of Surf Aid International Australia Limited's principal activities during the financial year.

The company's short-term objectives are to:

- To deliver the contracted and donor-committed programs in Indonesia
- To raise sufficient funds to finance the planned programs in Indonesia
- To establish new donor contracts

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Directors' Report

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The company's long-term objectives are to:

- To deliver effective development programs at increasing scale
- To build recurrent income streams for programs
- To continue to build the organisational systems

To achieve these objectives, the company has adopted the following strategies:

- Capacity development in Indonesia, which is driving systematic improvements in program delivery, reporting and accountability.
- Fundraising initiatives such as the SurfAid Corporate Cup and Surfing Chefs.
- Focus on DFAT and New Zealand MFAT relationships and deliverables.

Key Performance Measures

SurfAid measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the short-term and long-term objectives are being achieved.

Achievement of budget income

Expenses kept to budget

Delivery of budgeted funds to international programs

Operating Results and Review of Operations

The net profit of Surf Aid International Australia Limited for the year amounted to \$10,365 (2016:\$34,607).

After balance date events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Surf Aid International Australia Limited, the results of those operations or the state of affairs of Surf Aid International Australia Limited in future financial years.

Environmental Issues

Surf Aid International Australia Limited's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State.

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Directors' Report

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Non-audit services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services did not compromise the external auditor's independence for the following reasons:

- Non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants.

Insurance of Officers

During the financial year, Management Liability Insurance was held with AIG.

Director Information

Mr Ray John Wilson

Appointed Director:

10 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.

Mr Charlie Lanchester

Appointed Director

30 March 2011

Charlie is Head of Australian Fundamental Equities at BlackRock Asset Management Australia Limited. Charlie has 24 years funds management industry experience, including 14 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.

Mr Paul Mitchell OAM

Appointed Director:

3 June 2010 (Resigned 17 May 2016)

Paul Mitchell is a director of the consultancy EMGA Mitchell McLennan. Previously he was President of the International Council on Mining and Metals [ICMM] in London; ICMM is the mining industry's peak representative body. From 2000-2003 he was CEO of CARE Australia. His earlier career was in town planning and environmental consulting as Managing Director of ERM Australia and Mitchell McCotter & Associates.

In 2004 he was admitted to the Order of Australia and he has qualifications in earth and engineering sciences, and town planning.

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Directors' Report

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Mr Matthew Gilmour

Appointed Director

10 February 2014 (Resigned 17 May 2016)

Matt has over 20 years experience in financial services in Australia and overseas, holding senior positions with Westpac, Bankers Trust and UBS before founding OzForex in 1998. Matt held the position of Managing Director of OzForex until 2010. Matt has been recognised with a number of awards as a leading entrepreneur in the financial markets sector. Matt also serves on the Board of Eyes for Africa, an Australian based charity focused on eye care in Ethiopia.

Dr Stephen Nolan

Appointed Director

10 February 2014

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.

Mr Jason Collins

Appointed Director

10 February 2014

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.

Mr Neil Helm

Appointed Director

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 SurfAid. He was CEO and MD of OzForex for over eight years and previously Director with Macquarie Group for over 9 years.

Ms Karen Simmons

Appointed Director

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.

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Directors' Report

31 March 2017

Reaymond McGuinness

Appointed Director

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.

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Mr Ray John Wilson	4	3
Mr Paul Mitchell	1	1
Mr Charlie Lanchester	4	4
Mr Matthew Gilmour	1	0
Mr Jason Collins	4	4
Dr Stephen Nolan	4	3
Mr Neil Helm	4	3
Ms Karen Simmons	4	4
Mr Reaymond McGuinness	3	3

Remuneration of Directors

No director has received or become entitled to receive, during or since the end of financial period any remuneration for time and services provided.

No director has received or become entitled to receive, during or since the end of 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, other than the benefits as disclosed in Note 5 and 13 to the financial statements.

Indemnities

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 auditor of Surf Aid International Australia Limited.

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 party to any such proceedings during the year.

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Directors' Report

31 March 2017

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 March 2017 has been received and can be found on page 7 of the financial statements.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Dated this 31 day of August 2017



WalterAllanHall
ASSURANCE & FINANCIAL REPORTING

Surf Aid International Australia Limited

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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: 31/3/17

WalterAllanHall

Level 1 Suite 126 117 Old Pittwater Road BROOKVALE NSW 2100
P 02 9981 2300 F 02 9971 2651 E contact@walterallanhall.com.au

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

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2017

	Note	2017 \$	2016 \$
Revenue	3	1,482,727	1,670,656
Direct costs from operations		(282,457)	(291,783)
Salaries and wages		(286,870)	(289,513)
Administration expenses		(42,985)	(88,760)
Marketing expenses		(17,966)	(51,700)
Depreciation expense	4	(619)	(5,547)
Project and grant expenses		(841,465)	(908,746)
Surplus/(deficit) before income tax		10,365	34,607
Income tax expense		-	-
Net surplus/(deficit) for the year		10,365	34,607
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		10,365	34,607

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	2a	144,965	157,839
Trade and other receivables	7	24,979	60,970
Total current assets		169,944	218,809
Non-current assets			
Plant and equipment	8	3,805	-
Total non-current assets		3,805	-
TOTAL ASSETS		173,749	218,809
LIABILITIES			
Current liabilities			
Trade and other payables	9	60,702	104,987
Short-term provisions	10	8,345	16,256
Total current liabilities		69,047	121,243
Non-current liabilities			
Long-term provisions	11	20,897	24,126
Total non current liabilities		20,897	24,126
TOTAL LIABILITIES		89,944	145,369
NET ASSETS		83,805	73,440
EQUITY			
Accumulated Surplus		83,805	73,440
TOTAL EQUITY		83,805	73,440

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 March 2017

	Accumulated Surplus \$	Total \$
Balance at 1 April 2015	38,833	38,833
Surplus for the year	34,607	34,607
Balance at 31 March 2016	73,440	73,440
Surplus for the year	10,365	10,365
Balance at 31 March 2017	83,805	83,805

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 March 2017

	2017	2016
Note	\$	\$
Cash from operating activities:		
Net receipts from operations	1,492,293	1,618,781
Payment for creditors, fundraising, administration and programs	(1,501,131)	(1,654,433)
Interest received	643	1,498
Interest paid	(255)	-
Net cash generated from operating activities	2b (8,450)	(34,154)
Cash flows from investing activities:		
Payment for purchase of fixed assets	(4,424)	(5,547)
Net cash used in investing activities	(4,424)	(5,547)
Net (decrease)/increase in cash held	(12,874)	(39,701)
Cash at beginning of financial year	157,839	197,540
Cash at end of financial year	2a 144,965	157,839

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 March 2017

1 Statement of Significant Accounting Policies

The financial statements cover Surf Aid International Australia Limited as an individual entity, incorporated and domiciled in Australia. Surf Aid International Australia Limited is a company limited by guarantee.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the dates they were signed by the directors of the company.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations and bequests are recognised as revenue when received, unless they are a Government grant designated for a specific purpose. They are then recorded on the statement of financial position as a liability until they meet that purpose.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the sale of goods or rendering of a service is recognised upon the delivery of the goods or service to the customers.

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

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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Notes to the Financial Statements

For the Year Ended 31 March 2017

1 Statement of Significant Accounting Policies (continued)

(b) Plant and Equipment (continued)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

Plant and equipment are depreciated over their estimated useful lives using the straight line method.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Computer Equipment	PC 25-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss in the period in which they arise.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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Notes to the Financial Statements

For the Year Ended 31 March 2017

1 Statement of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.