

# Surf Aid International Australia Limited

ABN 31 111 343 287

## Annual Report 2010



integrity • values •  
accountability

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.

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

Website: [www.SurfAidinternational.org](http://www.SurfAidinternational.org)

and from ACFID at:

Website: [www.acfid.asn.au](http://www.acfid.asn.au)

Email: [code@adfid.asn.au](mailto:code@adfid.asn.au)

Tel: (02) 6281 9222

Fax: (02) 6285 1720

# **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.surfaidinternational.org](http://www.surfaidinternational.org)**

Surf Aid implements health and nutrition programs, including water and sanitation projects, and disaster preparedness and emergency relief in the Mentawai and Nias islands; an archipelago off the western coast of Sumatra, Indonesia. This is a culturally and geographically isolated region where nutrition is generally poor and the people suffer from a high prevalence of treatable and preventable diseases. The infant mortality rate for children under five in the Mentawai Islands is approximately one per 10 live births.

## **BACKGROUND**

Founded in 2000 by a small volunteer group of surfers in New Zealand, Surf Aid has grown into a unique organisation that is fully international and has strong support in Australia, New Zealand and the United States.

The growth of Surf Aid has been strongly influenced 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, SurfAid 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 Padang earthquake that caused widespread damage.

## **PROGRAM LINEUP**

**Surf Aid's current programs are:**

### **HEALTH**

Community Based Health  
Water and Sanitation  
Malaria Program  
Katiet Village Program

### **NATURAL DISASTERS**

Emergency Preparedness  
Emergency Response

### **SCHOOLS PROGRAM (global)**

**Mentawai Islands, West Sumatra, and Nias Island, North Sumatra**

- **Community Based Health Program**

To improve the health of vulnerable persons in Surf Aid target areas along the coastal areas of the Mentawai and Nias islands and reduce mortality in children under five years of age by improving clean water availability, hygiene, sanitation, malaria reduction, nutrition, and improved health services.

- **Water and Sanitation Program**

To restore and improve water supply and sanitation systems in Nias by repairing wells and installing, with local community participation, new tanks, public tap stands, rainwater harvesting systems and piping. Surf Aid is also implementing a Clean Water Program in the Mentawai Islands with similar objectives.

- **Malaria Program**

To work with village communities and existing health services to significantly and sustainably reduce the burden of malaria.

- **Katiet Village Program**

To provide a model community facility which develops a range of sustainable living options, including gardens and better animal husbandry.

- **Emergency Preparedness (E-Prep) Program**

To improve both village and district disaster management systems so that communities in isolated regions are better prepared for natural disasters.

### **Emergency Response**

To respond to emergencies in our region, particularly earthquakes and tsunamis. Our most recent emergency response, in September 2009, involved Rapid Assessment, Emergency Relief, Crisis Management and Early Recovery.

- **Schools Program (global)**

To develop global citizens using the humanitarian challenges and achievements of Surf Aid as an example for action.



## OUR ORGANISATION

Surf Aid International implements health and nutrition programs, including water and sanitation projects, and disaster preparedness and emergency relief in the Mentawai Islands, 150km off Indonesia's West Sumatran coast, and Nias Island, 125km off the North Sumatran Coast. The local people in this isolated and unique island chain are deprived of many of the qualities of life, with diseases such as acute respiratory infection, diarrhoea, malaria and birth complications taking a serious toll. Malnutrition is an everyday reality for both children and adults and natural disasters in the form of tsunami and earthquake add to the challenge of improving the health and wellbeing of the village communities.

Surf Aid views its mission to improve health and wellbeing as a highly significant investment in the future of the Mentawai and Nias people. Key stakeholders are our communities and individuals, regional government and partner non-governmental organisations. Our programs represent an integrated approach to improving health and wellbeing and we seek lasting improvement through cost-effective and high-impact interventions.

Surf Aid is working towards a long-term health promotion and supportive role in village communities, with measurable improvements in health and reduction in health inequalities over time. Enhanced emergency management, especially for those living in high-risk zones for tsunamis and earthquakes, and for those living in circumstances where malaria and other disease epidemics are an ongoing threat, is a key part of this strategy. Capacity-building initiatives with regional government and partner non-governmental organisations will help our communities to increasingly take control of their own health and wellbeing over time.

The Surf Aid Community Based Health Program (CBHP) is currently being developed in 23 sub-villages (dusun) in the Mentawai Islands (7,500 people) and 33 villages in Nias (35,000 people). Taking the CBHP to scale has the potential to help more than 70,000 people in the Mentawai Islands, and more than 720,000 people in Nias and other nearby islands.

Surf Aid is based on organisational values of accountability, transparency, partnership, respect for communities and colleagues, and social justice. 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.

### *Awards*

- Surf Aid won the World Association of Non-Governmental Organisations (WANGO) humanitarian award in 2007, and was awarded an ongoing Rainer Fellowship in 2005.
- Surf Aid was awarded the Best Community Based Disaster Risk Management Implementer in Indonesia by the Indonesian Institute of Sciences (LIPI) in 2008.

## CURRENT MEMBERS OF GOVERNING BODY

### **Chair & Secretary – 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 with primary

responsibility for the development of the market leading business in the social infrastructure and public/private partnerships arena. Prior to joining ABN AMRO, Ray was a chartered accountant with Price Waterhouse, Sydney.

**Treasurer – Kim Sundell**

Appointed March 2008

Kim Sundell is Director and CEO of Sundell Group (including Crown Financial). This large privately owned group sold out of its motor dealerships and, headed by Kim, is now focusing on property and finance.

Prior to this Kim was with Swiss Bank from 1992-1994 as Proprietary trader and Director of trading risk. Kim was also a member of the banks global risk management committee. Between 1989 -1992 Kim was an associate director working in the trading department of Barclay Bank (BZW) Australia, and then London. In London, Kim set up the Australian dollar fixed interest sales and trading division. From 1987 – 1988 Kim held the position of fixed interest dealer for Jackson's Stockbroking.

**Director – Harry Hodge**

Appointed October 2004

In 1982 Harry became Quiksilver's first Marketing Director. He then moved to France in 1984 and founded Quiksilver Europe. He led the company until 1999 and continued to act as CEO and Chairman until 2003. Quiksilver Europe is regarded as one of the most remarkable success stories in the surfing industry growing from one million USD in 1984 to over 500 million in 2005.

Today Harry is a major shareholder and Executive Chairman of ksubi, one of the world's leading fashion and denim labels. He is also Chairman of multiple world surfing champion Kelly Slater's accessory company, Komunity Project.

**Director - PAUL MITCHELL OAM**

Appointed June 2010

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.



The Board of Directors  
Surf Aid International Australia  
54 Victoria Street  
McMahon's Point NSW 2060

13 September 2010

Dear Board Members

### **SURF AID INTERNATIONAL AUSTRALIA LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Surf Aid International Australia Limited.

As lead audit principal for the audit of the financial statements of Surf Aid International Australia Limited for the financial year ended 31 March 2010, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

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

Yours sincerely



**WHK HORWATH SYDNEY**



**LEAH RUSSELL**

**PRINCIPAL**

*Total Financial Solutions*

# **Surf Aid International Australia Limited**

**ABN 31 111 343 287**

## **DISCUSSION AND ANALYSIS OF THE 2010 FINANCIAL STATEMENTS**

The concise financial statements are an extract from the full financial statements for the year ended 31 March 2010 which are available on the website. The financial statements and disclosures in the concise financial statements have been derived from the 2010 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 \$42,143, being an increase of \$47,730 from the 2009 net loss of \$5,587. This occurred mainly due to increase in donations income from \$322,372 in 2009 up to \$711,017 in 2010 year.

### **Statement of Financial Position**

Total assets decreased by \$772,072 to \$535,473. This is represented by a decrease in cash of \$820,471 due to all grants were paid for programmes in this current year. Total liabilities have decreased also due to grants have been fully expensed in the 2010 year and all deferred revenues have fully expensed.

In total, net assets have increased by \$42,143 which represents net surplus for the year.

### **Statement of Cash Flow**

Net cash provided by operating activities has decreased significantly primarily due to AusAid grants and programme expense transferred in the 2010 year.

The cash at end of the financial year is greatly decreased due to grants received in 2009 were expensed in the 2010 financial year. Another factor was lower amount of AusAid grants received in the 2010 financial year.

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2010**

<b>REVENUE</b>	2010	2009
	\$	\$
Donations and Gifts	711,017	322,372
Legacies and Bequests	0	0
Grants		
AusAid	891,291	1,180,710
Other Australian	106,602	0
Other Overseas	55,262	0
Investment Income	5,649	9,653
Other Income	213,004	245,207
<b>TOTAL REVENUE</b>	<u>1,982,825</u>	<u>1,757,942</u>
 <b>EXPENSES</b>		
Overseas Projects		
Funds to Overseas Projects	1,153,237	1,263,373
Other Project costs	0	0
Domestic Project Costs	0	0
Community Education	279,323	248,767
Fundraising Costs		
Public	183,445	115,073
Government and multilaterals	254,553	66,652
Administration	70,124	69,664
<b>TOTAL EXPENSES</b>	<u>1,940,682</u>	<u>1,763,529</u>
 Excess of revenue over expenses (Shortfall) from continuing Operation	<u>42,143</u>	<u>(5,587)</u>
 Other comprehensive income for the year	-	-
 Total comprehensive income for the year	<u>42,143</u>	<u>(5,587)</u>



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

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2010**

	2010	2009
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	481,681	1,302,152
Trade and other receivables	52,318	109
Financial Assets	0	0
<b>Total current assets</b>	<u>533,999</u>	<u>1,302,261</u>
<b>Non-current assets</b>		
Property, Plant and Equipment	1,474	5,284
Other	0	0
<b>Total non-current assets</b>	<u>1,474</u>	<u>5,284</u>
<b>TOTAL ASSETS</b>	<u>535,473</u>	<u>1,307,545</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	319,198	1,143,299
Provisions	23,721	13,835
<b>Total current liabilities</b>	<u>342,919</u>	<u>1,157,134</u>
<b>Non-current liabilities</b>		
Payables	0	0
Other	0	0
<b>Total non-current liabilities</b>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>342,919</u>	<u>1,157,134</u>
<b>NET ASSETS</b>	<u>192,554</u>	<u>150,411</u>
<b>EQUITY</b>		
Reserves	0	0
Accumulated Surplus	192,554	150,411
<b>TOTAL EQUITY</b>	<u>192,554</u>	<u>150,411</u>

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

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009**

	Retained Earnings \$	Reserves \$	Total \$
Balance at 31 March 2009	150,411	0	150,411
Excess of revenue over expenses	42,143	0	42,143
Amount transferred (to) from Reserves	0	0	0
<hr/>			
Balance at 31 March 2010	<b>192,554</b>	<b>0</b>	<b>192,554</b>

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

**TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES  
FOR THE YEAR ENDED 31 MARCH 2010**

	Cash available at beginning of year \$	Cash raised during Year \$	Cash Disbursed during year \$	Cash available at end of Year \$	Comments
Designated Purpose EPrep (AusAid)	876,048	28,814	(904,309)	553	
Designated Purpose Global Schools Program	267,576	398,410	(434,327)	231,659	
Total for other purposes	158,528	719,938	(628,997)	249,469	
<b>TOTAL</b>	<b>1,302,152</b>	<b>1,147,162</b>	<b>(1,967,633)</b>	<b>481,681</b>	



# FINANCIAL STATEMENTS FOR SURF AID INTERNATIONAL AUSTRALIA LIMITED

## NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL STATEMENTS

The concise financial statements are an extract for the full financial statements for the year ended 31 March 2010. The concise financial statements have been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Corporations Act 2001*.

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 Australian dollars.

### 2 Revenue

	2010	2009
	\$	\$
- Donations and bequests	711,017	322,372
- Grants received	1,053,155	1,180,710
- Schools Program	211,871	245,207
- Other Income	1,133	0
- Interest income	5,649	9,653
	1,982,825	1,757,942

Interest income on AusAid funds is recorded as part of deferred revenue in statement of financial position until they are used on approved program activity in accordance with the grant agreement.

## DIRECTORS' DECLARATION

The directors of Surf Aid International Australia Limited declare that the concise financial statements for the financial year ended 31 March 2010, as set out on pages 7 to 11:

- a. complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b. is an extract from the full financial statements for the year ended 31 March 2010 and has been derived from and is 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:

Ray Wilson

Dated this

13<sup>TH</sup>

day of

SEPTEMBER

2010

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SURF AID INTERNATIONAL AUSTRALIA LIMITED

**Report on the concise financial statements**

The accompanying concise financial statements of Surf Aid International Australia Limited comprises the statement of financial position as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended and related notes, derived from the audited financial statements of Surf Aid International Australia Limited for the year ended 31 March 2010, and the discussion and analysis. The concise financial statements do not contain all the disclosures required by Australian Accounting Standards.

*Directors' responsibility for the concise financial statements*

The directors are responsible for the preparation and presentation of the concise financial statements in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial statements; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the concise financial statements based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial statements of Surf Aid International Australia Limited for the year ended 31 March 2010. Our audit report on the financial statements for the year was signed on 13 September 2010 and was subject to a modification in regards to the internal control over donations, subscriptions and other fundraising activities. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements for the year is free from material misstatement.

Our procedures in respect of the concise financial statements included testing that the information in the concise financial statements is derived from, and is consistent with, the financial statements for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial statements for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial statements complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Total Financial Solutions*



*Auditor's opinion*

In our opinion, the concise financial statements including the discussion and analysis of Surf Aid International Australia Limited for the year ended 31 March 2010 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

*Whk Horwath Sydney*

**WHK Horwath Sydney**

*Russell*

**Leah Russell  
Principal**

Dated this 13<sup>th</sup> day of September 2010