

Classroom of Hope Incorporated

CLASSROOM OF HOPE INCORPORATED

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE PERIOD FROM 8 MAY 2012 ENDING 30 JUNE 2013

Classroom of Hope Incorporated

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2013

CONTENTS

| | PAGE |
|---|-------------|
| Committee of Management Names and Particulars | 3 |
| Committee of Management Report | 5 |
| Balance Sheet | 7 |
| Income Statement | 8 |
| Statement of Changes in Equity | 8 |
| Notes to and Forming Part of the Financial Statements | 9 |
| Statement by the Committee of Management | 14 |

Classroom of Hope Incorporated

Committee of Management Report

30 June 2013

The Committee of Management present their report on the Association for the financial year ended 30 June 2013

Classroom of Hope Inc was incorporated on 8 May 2012

The names and particulars of Committee of Management as at the 30 June 2013 are as follows:

Dr Tim Clarke (Chairman)

Tim gained his medical qualifications in Australia before completing his post graduate degree in psychiatry in London.

He is a founder, part-owner and non-executive director of an award winning 100 bed private hospital in West Perth.

Tim is an active investor and has served on boards and advisory boards with companies in areas such as IT, mineral exploration technology, coal seam gas, property development, art and culture, industrial products and services and NFP.

His principal interests are now with Moboom, a global IT company with operations based in Silicon Valley and HQ'd in Perth. Tim is an advisory board member of Moboom and founder and executive director of 2 companies licensed for the Moboom technology - one for Australia and the other for internet marketing, globally.

Qualifications, Memberships, Awards:

- Bachelor of Medicine, Bachelor of Surgery (MBBS)
- Fellow of the Royal Australian and New Zealand College of Psychiatry (FRANZCP)

Duncan Ward

Duncan is a self-employed Management Consultant with 15 years experience working in various different IT, leadership, consulting and management roles for clients like BHP Billiton, Rio Tinto, Motorola, Flight Centre and others. Having travelled and volunteered around the world, Duncan found that despite career success, the most fulfilling and challenging work he could do was supporting organisations and leaders working to improve children's lives.

Duncan changed his life direction when he founded Classroom of Hope, devoting half of his time away from the private sector and towards overseeing and managing Classroom of Hope's projects. By traveling to visit supported projects on a regular basis, Duncan serves as a liaison between donors and partners, providing communication and mutual understanding between both groups.

Duncan Ward was appointed as CEO of Classroom of Hope in 2012.

Classroom of Hope Incorporated

Committee of Management Report cont'd

Qualifications, Memberships and Awards

- Australian Talent Impact Award – Presented by Sir Richard Branson
- CEO and board member of Classroom of Hope

Stephen (Steve) Walker

Steve is Treasurer of the Company and is a fully qualified accountant with post graduate qualifications and over 37 years' business experience in Tax, Insolvency, Finance and Administration including senior level operational management experience in Human Resources, Information Technology, Business Reform and Strategic Development. Over the years Steve has held and continues to hold a number of senior corporate, financial, advisory and board positions in medium to large organisations.

Qualifications, Memberships and Awards

- Bachelor of Business (Accounting) (B.Bus)
- Fellow Certified Practising Accountant (FCPA)
- Fellow Australian Institute of Company Directors (Diploma) (FAICD)

Ian McFarlane

Ian is an experienced senior executive who successfully directed and grown three leading IT consultancy businesses. He grew AeM from a start-up in 1996 to a 250 staff, 40 million turnover business. He sold the business in 2006 to Adecco a global firm based in Switzerland and took on the MD role for the merged business (now 1500 staff across Australia).

Recent key accomplishments include;

- Managing Director of AeM, Ajilon
- Effective management of IT services delivery across a range of sectors
- Founding Chairman of AeM
- Led the establishment and transition team for large outsourcing contracts
- Past Board member for WA TAB, AeM
- Current Board member for Greening WA, Classroom of Hope, StudentEdge and advisory Group chair for Ajilon

Qualifications, memberships, Awards

- Fellow of Australian institute of Company Directors (FAICD)
- Past member of AIM advisory group
- Studied at BCIT – information technology
- Highly experienced in running large programs of work
- Experienced Merger and Acquisition expertise

Classroom of Hope Incorporated

Committee of Management Report cont'd

Colin Mackay-Coghill

Colin is one of Western Australia's most respected marketing communications specialists.

Over the last 20 years, he has helped drive the success of a number of Australia's largest, most recognisable government, product and service organisations including Mortgage Choice, ASGARD, Bunnings, Skywest, Peet, HIF, Water Corporation, Western Power,

The Office of Road Safety, Mirvac, The West Australian, HBF, iiNet and Curtin University to name but a few.

He was also instrumental in facilitating the east-coast expansion of WA's most iconic financial institution – BankWest, and led the amalgamation of the Royal Automobile Club of WA's 12 disparate businesses under a single, cohesive brand.

He has served on a number of boards including The Brand Agency, Neighbourhood Watch, and The Cancer Council's Busy Angels.

After long and productive tenures at BC+Y, The Brand Agency (as a shareholder and director) and Renegade Marketing Communications (which he owned and operated), Colin joined Marketforce as Senior Partner in July 2012.

Qualifications, memberships, Awards

- Bachelor of Arts (English and Politics)
- Deputy Chairman of The Communications Council of WA

Principal Activities and Our results

The first year of Classroom of Hope's existence has seen a significant amount of success achieved in rural Cambodia. We are currently redeveloping 15 schools to become child-friendly over three years as part of our J759N 'Schools for Excellence' project in Kampong Cham Cambodia. We partner with Kampuchean Action for Primary Education (KAPE) as our best practice CCC accredited local NGO to implement our education project which supports 5109 students and 71 teachers.

We focus on education because it is the building block of every society. By providing a child with an education, you give them the tools to change their life, the power to unleash their potential, the ability to give back to their community and the opportunity to improve the livelihoods of future generations.

Our Schools for Excellence project's purpose is to create child-friendly schools that are truly excellent in several dimensions including educational quality, inclusiveness and local stakeholder (i.e. parents, community and local government) engagement.

Classroom of Hope Incorporated

Committee of Management Report cont'd

The projects three goals are:

1. Access to education (especially for girls and vulnerable children) improves in target locations
2. The effectiveness (i.e. Quality of education) improves with the development of child-friendly school approaches that are relevant to the needs of children
3. To increase management capacity of local partners to administer development assistance in a way that enhances educational access and quality

Our project is based on UNICEF's child-friendly framework principles. (CFS)
http://www.unicef.org/publications/index_49574.html

Project activities in the past year have ranged from community teacher grants, bilingual classroom assistants, child scholarships, health referrals, infrastructure upgrades of classrooms, toilet facilities, teacher training, clean water and sanitation, child-to-child help networks and capacity building to name a few.

World Vision and See Beyond Borders recently visited our project with interest in our child-friendly framework implementation.

Classroom of Hope and its partners work hard to ensure high quality in the delivery of our Schools for Excellence project with strong governance/monitoring and evaluation provided by our Australian ITEM 1 NGO partner Global Development Group.

Classroom of Hope is proud to be a partner for Project J759N Schools for Excellence with Global Development Group (ABN 57 102 400 993), Australian AusAID approved NON Government Organisation carrying our quality humanitarian projects with approved partners and providing aid to relieve poverty and provide long-term solutions.

BALANCE SHEET

Classroom of Hope Incorporated

AS AT 30 JUNE 2013

| | <i>Note</i> | 2013 \$ |
|-------------------------------|-------------|-----------------|
| CURRENT ASSETS | | |
| Cash | 2 | |
| Receivables | 3 | |
| TOTAL CURRENT ASSETS | | <hr/> Nil <hr/> |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 4 | |
| TOTAL NON-CURRENT ASSETS | | <hr/> Nil <hr/> |
| TOTAL ASSETS | | <hr/> Nil <hr/> |
| CURRENT LIABILITIES | | |
| Payables | 5 | |
| TOTAL CURRENT LIABILITIES | | <hr/> |
| TOTAL LIABILITIES | | <hr/> |
| NET ASSETS | | <hr/> Nil <hr/> |
| TOTAL EQUITY | | <hr/> Nil <hr/> |

The above balance sheet should be read in conjunction with the accompanying notes.

Classroom of Hope Incorporated

INCOME STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2013

| | <i>Note</i> | <i>2013</i> \$ |
|----------------------------------|-------------|-------------------|
| Revenue from ordinary activities | 6 | 723 |
| Depreciation expense | | |
| Employee expenses | | |
| Other expenses | | 723 |
| Net surplus | | Nil |

The above income statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2013

| | <i>2013</i> \$ |
|--------------------------|-------------------|
| Balance at 1 July | |
| Net surplus for the year | |
| Balance at 30 June | Nil |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Classroom of Hope Incorporated

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The period of reporting is from the date of Incorporation 8 May 2012 to 30 June 2013. The Committee of Management is of the view that the Association is not a reporting entity. These financial statements have been prepared as a special purpose financial report solely to meet the Association's requirements to prepare financial statements. In the Committee of Management's opinion, the accounting policies applied in the preparation of this financial report are appropriate to meet the needs of the Governors and comply with all applicable Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS") and other mandatory professional reporting requirements (Accounting Interpretations), except for the following:

| | |
|----------|--|
| AASB 101 | "Presentation of Financial Statements" |
| AASB 107 | "Cash Flow Statements" |
| AASB 124 | "Related Party Disclosures" |
| AASB 7 | "Financial Instruments - Presentation" |

No other applicable Australian Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

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 specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report:

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

a) *Property, Plant and Equipment*

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives to the Association. The estimated useful lives of each category of property, plant and equipment are as follows:

| | |
|------------------------|---------|
| Plant and equipment | 3 years |
| Furniture and fittings | 5 years |

b) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Classroom of Hope Incorporated
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2013

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Cont'd)

c) *Revenue*

i) **Grants**

Grants received for specific purposes are brought to account as income in the year in which they are expended, in order to properly match income with expenditure. Unexpended grants at year end are recorded in the Balance Sheet under current liabilities.

Grants received for general purposes are brought to account as income in the year in which those grants are received.

ii) **Interest Received**

As Interest revenue is received it is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

iii) **Donations and Fundraising**

Revenue from donations and fundraising is brought to account when received. However it is the intention that all funds raised are directly transferred to Global Development Group Overseas Relief Fund Project J759N - Schools for Excellence. J759N is an educational development project, in partnership with Classroom of Hope and KAPE, which aims to provide quality educational opportunities to disadvantaged children across Cambodia. Capacity-building is a major focus of the project, providing high quality training to improve teacher skills, performance and confidence. For the period ended 30 June 2013 Classroom of Hope has raised \$60,816 which has been directly deposited into the Project J759N. The amount of \$723 as indicated in the Income Statement was raised and deposited into the Associations bank account and later forwarded to Project J759N. It is impractical for the Association to establish control over income from donations and fundraising prior to the initial entry in the accounting records resulting from the banking of such income.

d) *Income Tax*

The Association is not a registered charity and as such is not exempt from income tax however all funds raised were transferred to Global Development Group Overseas Relief Fund for Project J759N - Schools for Excellence.

Classroom of Hope Incorporated

FOR THE PERIOD ENDED 30 JUNE 2013

e) *Employee Benefits*

The Association during the period did not have employees. Provision however is made for the Association's liability for employee benefits arising from services rendered by employees to balance date, including recognition for wages, salaries and annual leave. No material liability exists for sick leave.

Long service leave is measured at the present value of expected future payments to be made in respect of services by employees up to balance date.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

Classroom of Hope Incorporated

FOR THE PERIOD ENDED 30 JUNE 2013

| | 2013 \$ |
|--|------------|
| NOTE 2 - CASH | |
| Cash at bank | |
| Petty cash | |
| | Nil |
| NOTE 3 - RECEIVABLES | |
| Trade debtors | |
| Less: Allowance for doubtful debts | |
| Prepayments | |
| Sundry debtors | |
| | Nil |
| NOTE 4 - PROPERTY, PLANT AND EQUIPMENT | |
| Plant and equipment | |
| Less: Accumulated depreciation | |
| | Nil |
| <u>Movements:</u> | |
| Balance at beginning of the year | |
| Additions | |
| Depreciation expense | |
| | Nil |

Classroom of Hope Incorporated

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013

| | |
|---|-------------|
| | <i>2013</i> |
| | \$ |
| NOTE 5 - PAYABLES | |
| Current | |
| Trade creditors | |
| Accrued expenses | |
| | <hr/> |
| | Nil |
| | <hr/> |
| | |
| | <i>2013</i> |
| | \$ |
| NOTE 6 - REVENUE | |
| Grants, donations and other fundraising | |
| Interest received | |
| | <hr/> |
| | Nil |
| | <hr/> <hr/> |

Classroom of Hope Incorporated

STATEMENT BY THE COMMITTEE OF MANAGEMENT

The Association's Committee of Management declares that in its opinion:

1. the accompanying Balance Sheet is drawn up so as to give a true and fair view of the state of affairs of Classroom of Hope Incorporated as at 30 June 2013;
2. the accompanying Income Statement is drawn up so as to give a true and fair view of the results of Classroom of Hope Incorporated for the period from 8 May 2012 ending 30 June 2013; and
3. at the date of this declaration, there are reasonable grounds to believe that Classroom of Hope Incorporated 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 Committee of Management.

Timothy Clarke
Chairman

Dated this day of 2013