

**CLASSROOM OF HOPE FUND**

**ABN 17 912 355 811**

**SPECIAL PURPOSE FINANCIAL REPORT**

**FOR THE PERIOD ENDED 31 OCTOBER 2016**

## **FINANCIAL REPORT**

**FOR THE PERIOD ENDED 31 OCTOBER 2016**

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# Classroom of Hope Fund

## **DIRECTORS' REPORT**

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The Directors present their report on Classroom of Hope Fund for the four month period up to 31 October 2016.

### **Directors**

The names of the directors of the Trustee, Classroom of Hope Limited, in office at any time during or since the end of the financial period are:

#### **Colin Mackay-Coghill (Chairman)**

Colin has had a 20-year career as one of Perth's leading market communications specialists. After long and productive tenures at BC+Y, The Brand Agency and Renegade Marketing Communications (which he owned and operated), Colin joined Marketforce as Senior Partner and he is now a partner at Yappy Group. Colin joined the Classroom of Hope board as our Chairman. In life, Colin believes that true **freedom** comes from self-determination, which is only possible through education. In business, Colin's philosophy is that regardless of industry, sector or size, the people drive success. We are fortunate to have this experienced leader and innovative thinker guiding the Classroom of Hope board and team through our journey.

*Qualifications, memberships, Awards:*

- Bachelor of Arts (English and Politics)

#### **Duncan Ward (Chief Executive Officer & Founder)**

Duncan is Nelson Mandela's number one fan and believes that 'education is the most powerful weapon we can use to change the world'. For Duncan, every classroom we create is **hope** for positive change. It's hard to keep track of all the hats Duncan has worn in his life, but to name a few: he was a sweeper of London Bridge Station and he also spent 17 years working as a Network Engineer and Management Consultant in the private sector. Duncan has also worked in senior executive roles in the NFP sector. Now, he is our chief executive officer, inspirational leader, husband to Nicola and believer in things that are impossible. Duncan was the recipient of the Australian Talent Unleashed Impact award from Sir Richard Branson in 2013 and also a 40under40 award winner in 2016 for his work with Classroom of Hope.

*Qualifications, Memberships and Awards:*

- Australian Talent Unleashed Impact Award – Presented by Sir Richard Branson
- WA Business News 40 under 40 award winner 2016

# Classroom of Hope Fund

## **DIRECTORS' REPORT**

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### **Karen Wellington**

Karen is a Project and Program manager passionate about enabling individuals, teams and organisations to connect, learn and create. Currently, Karen works for the Fogarty Foundation leading the WA development of the CoderDojo program; an open source social education movement that enables free, volunteer-run computer programming clubs for children. She is also studying towards a Masters in Community Development and a Certificate of Social Impact. Perth born and raised, Karen is a little unconventional, creative and determined and we love having her inspiring energy on our board. Her motivation for being a part of Classroom of Hope is that within every child is the **possibility** of greatness. Karen believes that when access to quality education is restored, human potential is unleashed. A few more interesting facts about Karen: she taught English in Japan, loves rock-climbing, is an avid reader and is the second youngest child in a family of 7 children.

#### *Qualifications, Memberships and Awards:*

- Member of the West Australian Council for Social Services (WACOSS)
- Fellow Australian Institute of Company Directors (Diploma) (FAICD)

### **Ian McFarlane**

Ian has had an extensive career as an entrepreneur in a variety of roles including Executive Management, Project Direction and professional management services. He managed three professional services firms from their start-up phase to successful trade and merger, and directed several multi-million dollar systems-integration, strategic alliance and outsourcing projects both in Australia and overseas. For Ian, being a board director for Classroom of Hope is about providing **support** for children to reach their greatest potential. In addition to being a board director for Classroom of Hope, Ian also serves as a board member at Student Edge and is Chair of the Advisory group at Mango leadership. It's hard to imagine that Ian gets much time to himself, but he does find the time to do a great deal of travelling with his wife Helen. Together, they enjoying skiing adventures, recently hiked the Camino Trail and regularly build schools and homes in Cambodia.

#### 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

# Classroom of Hope Fund

## DIRECTORS' REPORT

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### **Ian McFarlane**

#### *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

### **Dr Tim Clarke**

Dr. Clarke is a founding partner and director of the Perth Clinic, a 100-bed private psychiatry. Since he retired from clinical practice in 2002, he has several business developments, board and advisory roles in areas as diverse as energy and mineral resource development, information technology, property developments and private equity investment. With extensive experience in strategic planning and management, Tim has mediated, facilitated, mentored, and motivated dynamic business leaders in across a range of professional settings. Tim has had the pleasure of visiting a number of our schools in Cambodia and he has seen first hand how education changes the lives of the children we help. For Tim, there is no greater feeling than seeing the kids we support having **fun** and just being kids!

#### *Qualifications, Memberships, Awards:*

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

### **Kohen Grogan**

Kohen is a social media and digital marketing guru and entrepreneur with a passion to make a positive difference to the world. As the Founder and Managing Director of social media agency of Yappy Group, Kohen has naturally become our go-to guy for tech and digital assistance. With his big heart, Kohen generously offered space in the Yappy office to the Classroom of Hope team so that we would have a pro-bono place to work. Thanks Kohen! Since hearing our story, he has been a great support to Classroom of Hope and now joins our team as a board director. Through the **awesome** power of education, we can bring out the awesomeness in children, and that's why Kohen unwaveringly commits himself to our cause. Outside of work, Kohen is a musician, a lover of coffee and a Segway-riding enthusiast.

#### *Qualifications, Memberships and Awards*

- Business News 40under40 award 2016
- Virgin Magazine – Rising Australian Tech star to watch
- Runner-up national Rising Star – 30 under 30
- Best Digital Business (Top 5) APAC - Talent Unleashed Awards
- Member Australian Institute of Company Directors

# Classroom of Hope Fund

## **DIRECTORS' REPORT**

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### **Principal Activities and Our results**

Classroom of Hope's programs are focused on creating child-friendly schools, building schools and scholarships for children in developing countries. Our purpose is to provide access to quality education.

Classroom of Hope has been supporting three projects with incredible local NGO partners across Cambodia and Rwanda with a common purpose of education for all.

Our 'Schools for Excellence' project in rural Cambodia has to date completed fifteen child-friendly schools and been developing another seven child-friendly schools which are due for completion in October 2016. This project is based on UNICEF's child-friendly framework principles. (CFS) [http://www.unicef.org/publications/index\\_49574.html](http://www.unicef.org/publications/index_49574.html)

Our 'STEM4Women' project is providing ten young women with tertiary scholarships to study in the areas of STEM (Science, Technology, Engineering and Mathematics) in institutions across Cambodia and Thailand.

Our 'Schools for Excellence Rwanda' project has built eight toilets and a clean water facility in Nyamatete primary school and is also in the process of building a new school, water facility and toilets for the Gitumba villages in Southern Rwanda.

To date Classroom of Hope and our partners have served 7180 children and 194 teachers.

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

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

Together 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.

### **Review of Operations**

The Fund recorded a surplus for the financial period of \$78,932.

### **Significant Changes in the State of Affairs**

No significant changes in the Fund's state of affairs occurred during the financial period.

# Classroom of Hope Fund

## **DIRECTORS' REPORT**

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### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 7 and forms part of this directors' report.

This directors' report is signed in accordance with a resolution of the Board of Directors:



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**Colin Mackay-Coghill**  
Chairman

Dated this 28<sup>th</sup> day of November 2016

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Classroom of Hope Fund for the period ended 31 October 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia**  
**28 November 2016**

**L Di Giallonardo**  
**Partner**

# Classroom of Hope Fund

## STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2016

	Note	31 October 2016	30 June 2016
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	82,585	5,087
<b>TOTAL CURRENT ASSETS</b>		<u>82,585</u>	<u>5,087</u>
<b>NON-CURRENT ASSETS</b>			
Loan receivable	5	11,927	10,493
<b>TOTAL NON-CURRENT ASSETS</b>		<u>11,927</u>	<u>10,493</u>
<b>TOTAL ASSETS</b>		<u>94,512</u>	<u>15,580</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
<b>TOTAL CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>94,512</u>	<u>15,580</u>
<b>EQUITY</b>			
Accumulated funds		94,512	15,580
<b>TOTAL EQUITY</b>		<u>94,512</u>	<u>15,580</u>

The accompanying notes form part of these financial statements.

# Classroom of Hope Fund

## INCOME STATEMENT FOR THE PERIOD ENDED 31 OCTOBER 2016

	Note	1 July 2016 to 31 October 2016	13 August 2015 to 30 June 2016
			\$
Revenue from ordinary activities	2	110,328	86,372
Program services	3	(31,396)	(70,792)
<b>Surplus before income tax</b>		<u>78,932</u>	<u>15,580</u>
Income tax expense		-	-
<b>Surplus for the period</b>		<u>78,932</u>	<u>15,580</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive surplus for the period</b>		<u>78,932</u>	<u>15,580</u>

The accompanying notes form part of these financial statements.

# Classroom of Hope Fund

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 OCTOBER 2016

	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 13 August 2015</b>	-	-
Surplus for the period	15,580	15,580
<b>Balance at 30 June 2016</b>	15,580	15,580
Surplus for the period	78,932	78,932
<b>Balance at 31 October 2016</b>	94,512	94,512

The accompanying notes form part of these financial statements.

# Classroom of Hope Fund

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2016

### NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The financial statements were authorised for issue on 28 November 2016 by the directors of the Trustee Company.

The financial statements are a special purpose financial report prepared specifically to meet the reporting requirements of the Fund's Constitution and the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and related regulations.

The directors of the trustee company have determined that the Fund is not a reporting entity and therefore there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements. The financial statements have been prepared in accordance with the requirements of the following Accounting Standards:

AASB 108	Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Reporting Period
AASB 118	Revenue
AASB 1031	Materiality

#### **Basis of Accounting**

The financial report has been prepared on a cash 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 Fund in the preparation of the financial report:

#### a) **Revenue**

##### i) **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.

# Classroom of Hope Fund

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 OCTOBER 2016

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

##### a) *Revenue*

##### ii) **Donations and Fundraising**

Revenue from donations and fundraising is brought to account when received. Education program related donations are directly transferred to Global Development Group (GDG) Overseas Relief Fund Projects J759N, J759NA and J507A – Each educational development project, in partnership with Classroom of Hope and best practice local NGOs aims to provide quality educational opportunities to children across Cambodia and Rwanda. For the period ended 31 October 2016 Classroom of Hope has sent GDG \$20,896 which has been directly deposited into the Project J759N. Classroom of Hope is a public ancillary fund DGR ITEM 2 so any donations from other DGR2 organisations and private ancillary funds are deposited directly into the GDG bank accounts rather than the CoH Trust Fund accounts.

Due to the nature of the Fund's activities, it is impracticable for the Fund to establish adequate control over the collection of donations prior to entry in its financial records. As a result, donation revenue disclosed in the Income Statement represents amounts banked by the Fund.

##### a) *Income Tax*

The trust is a registered charity and as such is exempt from income tax.

##### b) *Employee Benefits*

No provision is made for the Fund's liability for employee benefits arising from services rendered by employees to balance date, including recognition for wages, salaries and annual leave. The trust's accounts are maintained on a cash basis. 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 trustee to an employee superannuation fund and are charged as expenses when incurred.

# Classroom of Hope Fund

## NOTES THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2016

	<b>4 months to</b>	
	<b>31 October 2016</b>	<b>30 June 2016</b>
	\$	\$
<b>NOTE 2 REVENUE</b>		
Donations	<u>110,328</u>	<u>86,372</u>
<b>NOTE 3 PROGRAM SERVICES</b>		
Transfers to GDG for Education Programs	20,896	70,792
Transfers to operations	<u>10,500</u>	-
Transfers to GDG for Education Programs	<u>31,396</u>	<u>70,792</u>
<b>NOTE 4 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	<u>82,585</u>	<u>5,087</u>
<b>NOTE 5 RECEIVABLES</b>		
Loan to Classroom of Hope Limited	<u>11,927</u>	<u>10,493</u>

## NOTE 6 EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent financial years. It is anticipated that the Fund will be wound up and the net assets at that time will be transferred to Classroom of Hope Limited.

# Classroom of Hope Fund

## TRUSTEE COMPANY DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the Trustee of Classroom of Hope Fund, the directors have determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 8 to 13, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the Fund's financial position as at 31 October 2016 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the trustee company directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.



**Colin Mackay-Coghill**  
Chairman

Dated this 28<sup>th</sup> day of November 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the trustee of Classroom of Hope Fund

### Report on the Financial Report

We have reviewed the accompanying financial report of Classroom of Hope Fund (“the fund”), which comprises the statement of financial position as at 31 October 2016, the income statement and the statement of changes in equity for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

#### *Trustee Company Directors’ responsibility for the financial report*

The directors of the trustee of the fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor’s responsibility*

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including: giving a true and fair view of the fund’s financial position as at 31 October 2016 and its performance for the period ended on that date; and complying with *Australian Charities and Not-for-profits Commission Act 2012*. As the auditor of the fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

#### *Basis for Qualified Conclusion*

Donations are a significant source of revenue for the fund. The fund has determined that it is impracticable to establish control over the collection of donations prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our review procedures with respect to donations had to be restricted to the amounts recorded in the financial records. We are therefore unable to express whether the donations obtained by the fund are complete.

### *Qualified Conclusion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, the financial report of Classroom of Hope Fund is in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the fund's financial position at 31 October 2016 and of its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-For-Profits Commission Regulation 2013*.

### *Report on the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)*

We have reviewed the financial report as required by the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for the fundraising appeal activities and examination of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error, or non-compliance may occur and not be detected. A review is not designed to detect all instances of non-compliance with the requirements described in the above mentioned Act and Regulations as a review is not performed continuously throughout the period and the review procedures performed in respect of compliance with these requirements are undertaken on a test basis. The review opinion expressed in this report has been formed on the above basis.

### *Conclusion*

Based on our review, which is not an audit, in our opinion, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that:

- (a) the financial report of Classroom of Hope Fund has not been properly drawn up, and associated records have not been properly kept during the financial period ended 31 October 2016, in all material respects, in accordance with:
  - (a) the WA Charitable Collections Act (1946); and
  - (b) the WA Charitable Collections Regulations (1947).
- (b) the money received as a result of fundraising appeals conducted by the fund during the financial period ended 31 October 2016 has not been properly accounted for and applied, in all material respects, in accordance with the abovementioned Act and Regulations.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**28 November 2016**



**L Di Giallonardo**  
**Partner**