



ManserTierney&Johnston
Chartered Accountants

**WATOTO CHILD CARE MINISTRIES AND
CONTROLLED ENTITIES**

**FINANCIAL STATEMENTS
30 JUNE 2015**



RESCUE RAISE REBUILD

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

DIRECTORS' REPORT

www.watoto.com

Your directors present this report on the Watoto Child Care Ministries and Controlled Entities (the group) for the financial year ended 30 June 2015.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Gary Skinner
Brett Camm
Rod Carey (re) appointed 19/11/2014
William Thorburn resigned 19/11/2014
Natalie Fielding

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

Principal Activities

The principal activity of the group during the financial year was:

- To support the ministry and work of Watoto Child Care Ministries (group)
- To raise funds for the ministry and work of Watoto Child Care Ministries in Uganda (company)
- To sponsor and manage the activities and care for the Watoto Children's Choir whilst in Australia (company)
- As a Deductible Gift Recipient, to be the legal entity for the receipt of donations and their allocations toward Watoto Uganda (trust)

No significant changes in the nature of the group's activity occurred during the financial year.

Operating Results

The net deficit of the group for the financial year amounted to \$467,578.

Dividends Paid or Recommended

The company is limited by guarantee and is therefore precluded from distributing profits by way of dividends.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

Information on Directors

Name: Gary Skinner

Qualifications: Founder and CEO, Watoto Child Care Ministries (Uganda)

Name: Brett Camm

Qualifications: Civil Engineer

Name: Rod Carey

Qualifications: Accountant

Name: Natalie Fielding

Qualifications: Lawyer

Name: William Thorburn

Qualifications: Senior Pastoral Ministry

Meetings of Directors

During the financial year four meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number Eligible	Number
	to Attend	Attended
Gary Skinner	4	1
Brett Camm	4	4
Rod Carey	4	3
Natalie Fielding	4	4
William Thorburn	1	1


Members' Guarantee


The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. As at 30 June 2015 the total amount members of the company are liable to contribute if the company is wound up is \$40.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and is attached to this Directors' Report.

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


.....
Director


.....
Director

Dated this 6th day of November 2015



ManserTierney&Johnston
Chartered Accountants

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**AUDITOR'S DECLARATION
TO THE DIRECTORS OF WATOTO CHILD CARE MINISTRIES
AND ITS CONTROLLED ENTITIES**

I declare that,

- a) In accordance with Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of any applicable code of professional conduct in relation to the audit; and
- b) In accordance with Section 307C of the Corporations Act 2001, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit and any applicable code of professional conduct in relation to the audit

Signed at Wahroonga this 11th day of November 2015.

MANSER TIERNEY & JOHNSTON
Chartered Accountants

DANE B R TIERNEY
Partner

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Watoto Child Care Ministries and controlled entities, the directors declare that:

1. The attached financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a) comply with the Australian Accounting Standards applicable to the company and controlled entities; and
 - b) give a true and fair view of the financial position of the company and controlled entities as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company and controlled entities are able to pay all of its debts, as and when they become due and payable.

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


.....
Director


.....
Director

Dated this

6th day of November.

2015.



WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

We have audited the accompanying financial statements, being special purpose financial statements, of Watoto Child Care Ministries and controlled entities (the company), which comprises the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of the company and its controlled entities are responsible for the preparation of the financial statements that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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 Australian Charities and Not-for-profits Commission Act 2012 and Corporations Act 2001.

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WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES**

Opinion

In our opinion, the financial statements of Watoto Child Care Ministries and controlled entities have been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date,
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not-for-profits Commission Regulation 2013,
- c) the financial report and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations, and
- d) monies received as a result of fundraising appeals conducted during the year ended 30 June 2015 have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note 1 to the financial report which describes the revenue recognition policy of the company, including the limitations that exist in relation to the recording of cash receipts. Revenue from this source represents a significant proportion of the company's revenue. Our opinion is unmodified in respect of this matter.

Signed at Wahroonga this 11th day of November 2015.

MANSER TIERNEY & JOHNSTON
Chartered Accountants

DANE B R TIERNEY
Partner

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	TOTAL	2015 Company	Trust	2014 TOTAL
CURRENT ASSETS					
Cash and cash equivalents	3	1,066,240	361,096	705,144	1,570,632
Trade and other receivables	4	38,026	38,026	-	60,617
Inventories	5	87,700	87,700	-	85,700
TOTAL CURRENT ASSETS		1,191,966	486,822	705,144	1,716,949
NON-CURRENT ASSETS					
Property, plant and equipment	6	51,641	51,641	-	44,145
TOTAL NON-CURRENT ASSETS		51,641	51,641	-	44,145
TOTAL ASSETS		1,243,607	538,463	705,144	1,761,094
CURRENT LIABILITIES					
Trade and other payables	7	45,499	45,499	-	121,080
Borrowings	8	10,599	10,599	-	9,187
Provisions	9	21,895	21,895	-	-
TOTAL CURRENT LIABILITIES		77,993	77,993	-	130,267
NON-CURRENT LIABILITIES					
Borrowings	8	23,757	23,757	-	31,407
Provisions	9	-	-	-	-
TOTAL NON-CURRENT LIABILITIES		23,757	23,757	-	31,407
TOTAL LIABILITIES		101,750	101,750	-	161,674
NET ASSETS		\$1,141,857	\$ 436,713	\$ 705,144	\$1,599,420
EQUITY					
Accumulated Funds		1,141,847	436,713	705,134	1,609,425
Reserves		-	-	-	-
Settlement Sum		10	-	10	10
TOTAL EQUITY		\$1,141,857	\$ 436,713	\$ 705,144	\$1,609,435

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015**

	TOTAL	2015 Company	Trust	2014 TOTAL
REVENUE				
Donations and gifts				
- Monetary	4,087,755	828,754	3,259,001	3,510,728
- Non-Monetary	-	-	-	-
Bequests and Legacies	-	-	-	-
Grants				
- DFAT (ex-AusAID)	-	-	-	-
- Other Australian	-	-	-	-
- Other Overseas	-	-	-	-
Investment Income	20,307	9,964	10,343	39,117
Other Income	310,652	759,594	-	325,491
Revenue from International Political or Religious Adherence Promotion Programs	-	-	-	-
TOTAL REVENUE	4,418,714	1,598,312	3,269,344	3,875,336
EXPENSES				
International Aid and Development Programs Expenditure				
International Projects				
- Funds to international programs	3,234,199	-	3,234,199	2,416,470
- Program support costs	707,151	648,707	507,386	477,850
Community education	-	-	-	83,946
Fundraising costs				
- Public	691,518	691,518	-	621,297
- Government, multilateral and private	-	-	-	-
Accountability and Administration	253,424	253,424	-	273,837
Non-Monetary Expenditure	-	-	-	-
Total International Aid and Development Programs Expenditure	4,886,292	1,593,649	3,741,585	3,873,400
International Political or Religious Adherence Promotion Programs Expenditure	-	-	-	-
Domestic Programs Expenditure	-	-	-	-
TOTAL EXPENDITURE	4,886,292	1,593,649	3,741,585	3,873,400
EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE	(467,578)	4,663	(472,241)	1,936

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

EQUITY	TOTAL	2015 Accumulated Funds	Reserves	2014 TOTAL
Accumulated Funds				
Opening Balance - 1 July	1,609,425	1,609,425	-	1,607,416
Excess of Revenue over expenses	(467,578)	(467,578)	-	1,936
Prior year adjustments	-	-	-	73
Amount transferred (to) from reserves	-	-	-	-
Closing Balance - 30 June	<u>1,141,847</u>	<u>1,141,847</u>	<u>-</u>	<u>1,609,425</u>

No single appeal or other form of fund raising for a designated purpose generated 10% or more of total income for the period under review

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	TOTAL	2015 Company	Trust	2014 TOTAL
Cash Flow from Operating Activities					
Receipts from trading, fundraising and donations		4,847,149	1,588,148	3,259,001	4,476,824
Payments to suppliers and employees		(5,384,294)	(1,642,709)	(3,741,585)	(4,485,460)
Interest received		20,307	9,964	10,343	39,117
Interest paid		(2,898)	(2,898)	-	-
(Payment to) refund from ATO - net GST		27,737	27,737	-	(8,412)
Net cash provided by operating activities	11b	<u>(491,999)</u>	<u>(19,758)</u>	<u>(472,241)</u>	<u>22,069</u>
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment		-	-	-	35,000
Prior year adjustment		-	-	-	73
Payments for property, plant and equipment		(6,154)	(6,154)	-	(5,470)
Net cash used in investing activities		<u>(6,154)</u>	<u>(6,154)</u>	<u>-</u>	<u>29,603</u>
Cash Flows from Financing Activities					
Repayment of borrowings		(6,238)	(6,238)	-	(12,754)
Net cash used in financing activities		<u>(6,238)</u>	<u>(6,238)</u>	<u>-</u>	<u>(12,754)</u>
Net Increase/(decrease) in Cash Held		(504,391)	(32,150)	(472,241)	38,918
Cash on hand at the beginning of the financial year	1b	<u>1,570,631</u>	<u>393,246</u>	<u>1,177,385</u>	<u>1,531,713</u>
Cash on hand at the end of the financial year	11a	<u>\$ 1,066,240</u>	<u>\$ 361,096</u>	<u>\$ 705,144</u>	<u>\$1,570,631</u>

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of 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.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a) Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised when the right to receive the revenue has been established.

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

b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

c) Cash and Cash Equivalents

Cash includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

d) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

e) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, accumulated depreciation and any impairment losses.

Depreciation

Depreciation is calculated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

f) **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

h) **Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

i) **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards.

The Directors' assessment of the impact of the new standards and interpretations is that they will not affect any of the amounts recognised in the financial statements.

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	TOTAL	2015 Company	Trust	2014 TOTAL
Note 2 - Surplus for the Year				
Surplus from ordinary activities has been determined after:				
a) Expenses				
Depreciation and write-back of non-current assets	\$ 8,674	8,674	-	\$ 35,005
Auditor Remuneration - audit services	\$ 8,500	8,500	-	\$ 6,500
 Note 3 - Cash and Cash Equivalents				
Cash at bank	1,064,631	359,497	705,134	1,569,045
Cash on hand	<u>1,609</u>	<u>1,599</u>	<u>10</u>	<u>1,587</u>
	<u>\$1,066,240</u>	<u>\$ 361,096</u>	<u>\$ 705,144</u>	<u>\$1,570,632</u>
 Note 4 - Trade and Other Receivables				
Trade and other receivables	6,277	6,277	-	30,173
Prepayments	<u>31,749</u>	<u>31,749</u>	<u>-</u>	<u>30,444</u>
	<u>\$ 38,026</u>	<u>\$ 38,026</u>	<u>\$ -</u>	<u>\$ 60,617</u>
 Note 5 - Inventories				
Stock on hand	<u>\$ 87,700</u>	<u>\$ 87,700</u>	<u>\$ -</u>	<u>\$ 85,700</u>
 Note 6 - Property, Plant and Equipment				
Plant and equipment	108,265	108,265	-	139,647
<u>Less: Accumulated Depreciation</u>	<u>(90,915)</u>	<u>(90,915)</u>	<u>-</u>	<u>(129,793)</u>
	<u>17,350</u>	<u>17,350</u>	<u>-</u>	<u>9,854</u>
 Motor Vehicles	 66,949	 66,949	 -	 66,949
<u>Less: Accumulated Depreciation</u>	<u>(32,658)</u>	<u>(32,658)</u>	<u>-</u>	<u>(32,658)</u>
	<u>34,291</u>	<u>34,291</u>	<u>-</u>	<u>34,291</u>
 Total - Property, Plant and Equipment	 175,214	 175,214	 -	 206,596
<u>Less: Accumulated Depreciation</u>	<u>(123,573)</u>	<u>(123,573)</u>	<u>-</u>	<u>(162,451)</u>
	<u>\$ 51,641</u>	<u>\$ 51,641</u>	<u>\$ -</u>	<u>\$ 44,145</u>

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	TOTAL	2015 Company	Trust	2014 TOTAL
Note 7 - Trade and Other Payables				
Current				
Trade creditors and accruals	42,873	42,873	-	76,431
Income in advance	<u>2,626</u>	<u>2,626</u>	-	<u>44,649</u>
	<u>\$ 45,499</u>	<u>\$ 45,499</u>	<u>\$ -</u>	<u>\$ 121,080</u>
Note 8 - Borrowings				
Current				
Loans Payable	<u>\$ 10,599</u>	<u>\$ 10,599</u>	<u>\$ -</u>	<u>\$ 9,187</u>
Non-Current				
Loans Payable	<u>\$ 23,757</u>	<u>\$ 23,757</u>	<u>\$ -</u>	<u>\$ 31,407</u>
Note 9 - Provisions				
Current				
Provision for employee benefits	<u>\$ 21,895</u>	<u>\$ 21,895</u>	<u>\$ -</u>	<u>\$ -</u>
Non-Current				
Provision for employee benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 10 - Events After the Reporting Period

The Directors are not aware of any other matters or circumstances not otherwise dealt with in the Directors' Report or Financial Statements for the year ended 30 June 2015 that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

WATOTO CHILD CARE MINISTRIES AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 11 - Cash Flow Information	TOTAL	2015 Company	Trust	2014 TOTAL
(a) Reconciliation of Cash				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash at bank and in hand	<u>1,066,240</u>	<u>361,096</u>	<u>705,144</u>	<u>1,570,632</u>
	<u>\$1,066,240</u>	<u>\$ 361,096</u>	<u>\$ 705,144</u>	<u>\$1,570,632</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities				
Profit/(Loss) from ordinary activities	(467,578)	4,663	(472,241)	1,936
Non-cash flows in profit from ordinary activities				
- Profit / (Loss) on sale of property, plant & equipment	-	-	-	(35,000)
- Depreciation, amortisation and write-backs	8,674	8,674	-	35,005
Changes in assets and liabilities				
- (Increase)/decrease in receivables	23,896	23,896	-	(2,259)
- (Increase)/decrease in prepayments	(1,305)	(1,305)	-	5,054
- (Increase)/decrease in inventories	(2,000)	(2,000)	-	(5,100)
- Increase/(decrease) in payables and accruals	(33,558)	(33,558)	-	15,079
- Increase/(decrease) in income in advance	(42,023)	(42,023)	-	7,354
- Increase/(decrease) in provisions	21,895	21,895	-	-
Net cash provided by operating activities	<u>\$ (491,999)</u>	<u>\$ (19,758)</u>	<u>\$ (472,241)</u>	<u>\$ 22,069</u>