



HANDS AND FEET INCORPORATED

ABN 72 189 829 388

FINANCIAL REPORT – 30 JUNE 2016

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The accompanying Special Purpose Financial Report has been prepared for the exclusive use of the Members of Hands and Feet Incorporated. This financial report is not to be used by any other party unless accompanied with additional information concerning the Association's financial position.

HANDS AND FEET INCORPORATED
ABN 72 189 829 388

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	68,094	44,531
Trade and other receivables	7	10,343	5,410
<i>Total current assets</i>		<u>78,437</u>	<u>49,941</u>
Non-current assets			
Property, plant and equipment	8	17,329	4,929
<i>Total non-current assets</i>		<u>17,329</u>	<u>4,929</u>
TOTAL ASSETS		<u>95,766</u>	<u>54,870</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	6,129	662
<i>Total current liabilities</i>		<u>6,129</u>	<u>662</u>
TOTAL LIABILITIES		<u>6,129</u>	<u>662</u>
NET ASSETS		<u><u>89,637</u></u>	<u><u>54,208</u></u>
FUNDS			
Accumulated funds		<u>89,637</u>	<u>54,208</u>
TOTAL FUNDS		<u><u>89,637</u></u>	<u><u>54,208</u></u>

HANDS AND FEET INCORPORATED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	4	250,105	134,146
		<u>250,105</u>	<u>134,146</u>
Expenses			
Administration expenses		(27,792)	(6,495)
Depreciation	5	(2,600)	(71)
Employee benefits expenses		(26,424)	-
Food supplies		(27,471)	(23,054)
Motor vehicle expenses		(3,585)	(8,811)
Project donations		(65,193)	(36,000)
Other expenses		(61,611)	(5,509)
		<u>(214,676)</u>	<u>(79,940)</u>
Surplus before income tax		35,429	54,206
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year		<u>35,429</u>	<u>54,206</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>35,429</u></u>	<u><u>54,206</u></u>

HANDS AND FEET INCORPORATED**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds \$	Total \$
Balance at 1 July 2014	2	2
Comprehensive income		
Surplus for the year	54,206	54,206
Other comprehensive income	-	-
Total comprehensive income for the year	<u>54,206</u>	<u>54,206</u>
Balance at 30 June 2015	<u>54,208</u>	<u>54,208</u>
Balance at 1 July 2015	54,208	54,208
Comprehensive income		
Surplus for the year	35,429	35,429
Other comprehensive income	-	-
Total comprehensive income for the year	<u>35,429</u>	<u>35,429</u>
Balance at 30 June 2016	<u>89,637</u>	<u>89,637</u>

HANDS AND FEET INCORPORATED**STATEMENT OF CASHFLOWS**
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers, donations and grants		236,567	129,752
Payments to suppliers and employees		(214,578)	(80,330)
Interest received		1,574	107
<i>Net cash flows from operating activities</i>	10	<u>23,563</u>	<u>49,529</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(5,000)
<i>Net cash flows from investing activities</i>		<u>-</u>	<u>(5,000)</u>
Net increase in cash and cash equivalents		23,563	44,529
Cash and cash equivalents at the beginning of the financial year		<u>44,531</u>	<u>2</u>
Cash and cash equivalents at the end of the financial year	6	<u>68,094</u>	<u>44,531</u>

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 1 - Reporting entity

The financial report includes the financial statements and notes of Hands and Feet Incorporated. Hands and Feet Incorporated is incorporated in New South Wales under the *Associations Incorporation Act 2009* and registered under the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

The financial statements were approved by the Committee on 17 November 2016.

Note 2 - Basis of preparation

Statement of compliance

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable as below:-

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031:	Materiality
AASB 1048:	Interpretation of Standards
AASB 1054:	Australian Additional Disclosures

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

Basis of measurement

The financial statements, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the entity has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Committee evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 - Basis of preparation (continued)

Critical accounting estimates and judgements (continued)

Key estimates

Impairment

The Committee assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Income Tax

Hands and Feet Incorporated is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the entity obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the entity; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accruals basis.

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 3 - Significant accounting policies (continued)

Impairment of assets

At the end of each reporting period, the entity 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 assets fair value less the costs to sell the 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 the statement of profit or loss and other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the co-operative commencing from the time the asset is held ready for use.

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

Furniture and Equipment	20% - 25%
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HANDS AND FEET INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016**Note 3 - Significant accounting policies (continued)*****Property, plant and equipment (continued)***

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

HANDS AND FEET INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Note 4 - Revenue</u>		
Revenue		
Gifts and donations	201,068	98,039
Project revenue	47,463	36,000
	<u>248,531</u>	<u>134,039</u>
Other revenue		
Interest income	1,574	107
	<u>1,574</u>	<u>107</u>
<i>Total revenue</i>	<u>250,105</u>	<u>134,146</u>

Note 5 - Expenses

Depreciation	2,600	71
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Note 6 - Cash and cash equivalents

Cash at bank	68,094	44,531
<i>Total cash and cash equivalents</i>	<u>68,094</u>	<u>44,531</u>

Note 7 - Trade and other receivables**Current**

Trade receivables	1,275	-
Other receivables	9,068	5,123
Prepayments	-	287
<i>Total current trade and other receivables</i>	<u>10,343</u>	<u>5,410</u>

Note 8 - Property, plant and equipment

	and Equipment \$	Motor Vehicles \$	Total \$
At 30 June 2015			
Cost	5,000	-	5,000
Accumulated depreciation	(71)	-	(71)
<i>Net carrying amount</i>	<u>4,929</u>	<u>-</u>	<u>4,929</u>
Movements in carrying amounts			
Opening net carrying amount	4,929	-	4,929
Additions	-	15,000	15,000
Depreciation charge for the year	(1,000)	(1,600)	(2,600)
Closing carrying amount	<u>3,929</u>	<u>13,400</u>	<u>17,329</u>
At 30 June 2016			
Cost	5,000	15,000	20,000
Accumulated depreciation	(1,071)	(1,600)	(2,671)
<i>Net carrying amount</i>	<u>3,929</u>	<u>13,400</u>	<u>17,329</u>

HANDS AND FEET INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<u>Note 9 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	1,670	662
Other payables	4,459	-
<i>Total current trade and other payables</i>	<u>6,129</u>	<u>662</u>
<u>Note 10 - Cash flow information</u>		
<i>Reconciliation of cash flows from operations with profit after income tax:</i>		
Profit after income tax	35,429	54,206
<i>Add (less) non-cash flows in profit</i>		
Depreciation	2,600	71
Non-cash donation	(15,000)	-
<i>Changes in assets and liabilities</i>		
Decrease (increase) in trade and other receivables	(4,933)	(5,410)
Increase (decrease) in trade and other payables	5,467	662
Cash flows from operating activities	<u>23,563</u>	<u>49,529</u>
<u>Note 11 - Commitments</u>		
<i>Operating lease commitments</i>		
Non-cancellable operating leases contracted for but not recognised in the financial statements as follows:		
Within one year	22,000	24,000
Later than one year but not later than five years	-	22,000
	<u>22,000</u>	<u>46,000</u>

Note 12 - Events occurring after the reporting period

No material events have occurred after the reporting period. The financial report was authorised for issue on 17 November 2016 by the Committee Members.

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FINANCIAL REPORT – 30 JUNE 2016

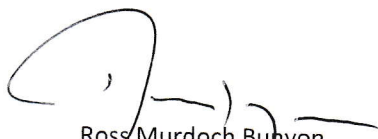
STATEMENT BY MEMBERS OF THE COMMITTEE

The members of the Committee have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 3 to the financial statements and the *Associations Incorporation Act 2009* and *Australian Charities and Not-for-profits Commission Act 2012*.

In the opinion of the Committee, the financial report, which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements:

- (a) Presents a true and fair view of the financial position of Hands and Feet Incorporated as at 30 June 2016 and its performance for the year ended on that date; and
- (b) At the date of this statement, there are reasonable grounds to believe that Hands and Feet Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Ross Murdoch Buhyon
Chairman

17 November 2016

HANDS AND FEET INCORPORATED**ABN 72 189 829 388****FINANCIAL REPORT – 30 JUNE 2016****COMMITTEE'S DECLARATION**
UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Committee of Hands and Feet Incorporated:

- (i) The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2016; and
- (ii) The statement of financial position gives a true and fair view of the state of affairs of the entity with respect to fundraising appeals; and
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with; and
- (iv) The internal controls exercised by the entity are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the Committee and signed for and on behalf of the Committee by:



Ross Murdoch Buryon
Chairman

17 November 2016

HANDS AND FEET INCORPORATED
ABN 72 189 829 388

FINANCIAL REPORT – 30 JUNE 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Hands and Feet Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the Committee.

Committee Member's Responsibility for the Financial Report

The Committee Members of Hands and Feet Incorporated is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Committee Member's responsibility also includes such internal control as the Committee Member determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 Committee Members, as well as evaluating the overall presentation of the financial report.

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

HANDS AND FEET INCORPORATED
ABN 72 189 829 388

FINANCIAL REPORT – 30 JUNE 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED

Independence

In conducting our audit, we have followed applicable independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and any applicable code of professional conduct in relation to the audit.

Qualification

As is common for organisations of this type, it is not practicable for the association to maintain a comprehensive system of internal control over cash donations until monies are banked. Accordingly our audit in relation to cash donations was limited to amounts recorded.

Auditor's Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitations discussed in the qualification paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Hands and Feet Incorporated as at 30 June 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 3 to the financial statements, the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis of Accounting and Other Matters

Without modifying our opinion, we draw attention to Note 2 to 3 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee Member's financial reporting responsibilities under the *Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Company in accordance with section 24(2) of the *Charitable Fundraising (NSW) Act 1991*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Associations Incorporation Act 1991 (ACT)* and the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising (NSW) Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED

The audit opinion expressed in this report pursuant to the *Charitable Fundraising (NSW) Act 1991* has been formed on the above basis.

Qualification

As is common for organisations of this type, for a portion of the current financial year, it was not practicable for the association to maintain two persons jointly operating the entities bank account in contravention of Section 20(6) of the *Charitable Fundraising (NSW) Act 1991*.

Auditor's opinion

Pursuant to the requirements of Section 24(2) of the *Charitable Fundraising (NSW) Act 1991*, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitations discussed in the qualification paragraph not existed, we report that, in our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2016; and
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations; and
- c) money received as a result of fundraising appeal activities conducted during the period 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that Company will be able to pay its debts as and when they become due and payable.

StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

17 November 2016