

AUDITOR'S REPORT & FINANCIAL STATEMENTS

**Kids Outreach
International Limited**

ABN: 61 085 680 673

Financial Statements

For the Period Ended 31 December 2015

Kids Outreach International Limited

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Directors Report

31 December 2015

Your Directors submit the financial report of the company for the period ended 31 December 2015.

Directors

The names of Directors throughout the year and at the date of this report are:

Names	Appointed / Resigned
John Donovan	Appt: 12/3/2005
Risto Rummukainen	Appt: 12/3/2005
Roger Nicoll	Appt: 11/3/2005
Taru Kohonen	Appt: 10/3/2007
Kari Lehelma	Appt: 24/12/1998
Kevin Mackay	Appt: 1/7/2009
Ross Kelly	Appt: 5/4/2013
Antti Haavisto	Appt: 11/4/2014

Members Guarantee

Kids Outreach International Limited is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the amount being capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$50 per member, subject to the provisions of the company's constitution. There were 8 members at 31 December 2015.

Principal activities

The principal activities of Kids Outreach International Limited during the financial year were:

Taking volunteers from Australia and New Zealand to deliver cultural exchange and life skills educational programs in Russian children's camps in different regions in Russia.

Development and delivery of a pilot education program aimed at preventing children being seduced into trafficking activities

Co-ordinating similar programs with and providing on the ground support to Finnish and US organisations.

Raising funds towards the construction of family homes for orphans in the Vladivostok area

Significant changes

No significant change in the nature of these activities occurred during the year.

Business review

(a) Operating result

The surplus of the company for the year amounted to \$5,357 (2014 loss of \$10,959).

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(b) Significant changes in state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

(c) 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 company, the results of those operations or the state of affairs of the company in future financial years.

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

Director:

Director:

Dated this 7th day of March, 2016.

**REVIEWER'S REPORT TO THE MEMBERS OF
KIDS OUTREACH INTERNATIONAL LIMITED****Review Report****To the members of Kids Outreach International Limited.**

We have reviewed the accompanying annual financial report of Kids Outreach International Limited, which comprises the balance sheet as at 31 December 2015, and the income statement for that year ended plus Notes to, and forming part of, the financial statements and the Directors' Report.

Directors Responsibility for the annual Financial Report

The Directors of the company are responsible for the preparation of the annual financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Companies Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the annual financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Reviewer's Responsibility

Our responsibility is to express a conclusion on the annual financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2400 Review of a Financial Report Performed by an Assurance Practitioner who is not the Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Australian Accounting Standards. ASRE 2400 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review of an annual 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 professional accounting bodies.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the annual financial report of Kids Outreach International Limited does not present fairly in all material respects the financial position of the company as at 31 December 2015, and of its financial performance for the year ended on that date, in accordance with the Australian Accounting Standards.

**Twelfth Mann Pty Ltd
Certified Practising Accountants**



John Mann FCPA

7 March, 2016

PO Box 2237
Tuggeranong DC ACT 2901

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Income Statement

For the Period Ended 31 December 2015

	<u>2015</u>	<u>2014</u>
Revenue	184,160	186,502
- Administrative Expenses	(23,061)	(26,138)
- Employment Expenses	(92,426)	(76,309)
- Specified Projects	(21,341)	(40,707)
- Outreach Project	(39,508)	(50,185)
- Foreign Currency Losses	(0)	(1,061)
- Other Expenses	(2,467)	(3,061)
Profit/(Loss)	5,357	(10,959)

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Balance Sheet

As at 31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	35,217	18,041
Trade and other receivables	5	260	1,955
Other assets	6	6,278	6,366
Total current assets		41,755	26,362
Non-current assets			
Property, plant and equipment	7	6,148	8,176
Total non-current assets		6,148	8,176
TOTAL ASSETS		47,903	34,538
LIABILITIES			
Current liabilities			
Trade and other payables	8	21,725	13,716
Total current liabilities		21,725	13,716
Non-current liabilities			
Total non-current liabilities		-	-
TOTAL LIABILITIES		21,725	13,716
NET ASSETS		26,178	20,822
EQUITY			
Retained earnings		26,178	20,822
TOTAL EQUITY		26,178	20,822

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Notes to, and forming part of, the Financial Statements

1. Statement of significant accounting policies

This financial report covers Kids Outreach International Limited as an individual entity. Kids Outreach International is incorporated as a company limited by guarantee under the Companies Act.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of *the Companies Act*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Property, plant and equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amounts from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings is depreciated on a diminishing value basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amount included in the revaluation relating to that asset are transferred to retained earnings.

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(b) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(c) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at their nominal amount. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) Cash and cash equivalents

Cash and cash equivalents include 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 borrowings in current liabilities on the balance sheet.

(d) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

(e) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(f) Comparative figures

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

Rounding of amounts

Amounts in the financial report and directors' report have been rounded off to the nearest \$1.

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2. Revenue

	2015	2014
	\$	\$
Revenue		
– Donations	72,831	104,926
– Outreach	50,328	50,565
– Sponsorship	47,905	28,823
– Memberships	1,539	1,902
– Other income	11,440	0
– Interest - investments	117	286
Total revenue	184,160	186,502

3. Profit

Net profit / (loss) from ordinary activities has been determined after:

	2015	2014
	\$	\$
Depreciation of non-current assets	2,028	2,571
Rental expenses on operating leases	3,400	3,400
Audit remuneration	0	0
Review remuneration	500	500

4. Cash and cash equivalents

	2015	2014
	\$	\$
Cash on hand	300	612
Cash at bank	11,639	15,140
Short term bank deposits	23,278	2,289
	35,217	18,041

5. Trade and other receivables

	2015	2014
	\$	\$
CURRENT		
Trade debtors	260	1,955
	260	1,955

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6. Other current assets

	2015	2014
	\$	\$
CURRENT		
Prepayments	6,278	6,366
	6,278	6,366

7. Property, plant and equipment

	2015	2014
	\$	\$
<i>Motor Vehicles</i>		
At cost	44,511	44,511
Less: accumulated depreciation	(39,017)	(37,643)
Total motor vehicles	5,494	6,868
<i>Office Equipment</i>		
At cost	4,084	4,084
Less: accumulated depreciation	(3,430)	(2,776)
Total office equipment, furniture and fittings	654	1,308
Total property, plant and equipment	6,148	8,176

Movements in carrying amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Office Equipment	TOTAL
	\$	\$	\$
Balance at beginning of year	6,868	1,308	8,176
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(1,374)	(654)	(2,028)
Carrying amount at end of year	5,494	654	6,148