# Financial Report

FOOTPRINTS FUNDRAISING INC.

INC9884228

30 June 2011

FOOTPRINTS FUNDRAISING INC.
IC9884228

# Contents

**FOOTPRINTS FUNDRAISING INC.**
**INC9884228**

# Committee's report

## for the year ended 30 June 2011

Your committee members submit the financial report of Footprints Fundraising Inc. for the financial year ended 30 June 2011.

**Committee Members**

The names of the committee members throughout the year and at the date of this report are

Simon Monk (Public Officer)
Christy McCarthy (Secretary)
Aine Leonard
Chris Noble
Matt Bourne
Graham Kingaby
Kristi Mansfield
Brendan Forster

**Principal Activity**

The principal activity of the association during the financial year was the collection and distribution of donations to various charitable organisations throughout Australia and overseas.

**Significant Changes**

There was no significant change in the nature of the principal activity during the year.

**Operating Result**

The profit after providing for income tax amounted to $Nil (2010: loss of $1,607).

Signed in accordance with a resolution of the Members of the Committee by:

*Simon Monk*
Public Officer

*Aine Leonard*
Committee Member

Dated this 10th day of November 2011

# Statement of Comprehensive Income

## for the year ended 30 June 2011

| | Notes | 2011 $ | 2010 $ |
|---|---|---|---|
| Donations received | 2 | 214,687 | 287,132 |
| Donations paid | 3 | (214,687) | (287,645) |
| Other income | 2 | 49,520 | 997 |
| Other expenses | 3 | (49,303) | (1,600) |
| Bank charges | 3 | (217) | (330) |
| Loss before income tax | | - | (1,446) |
| Income tax expense | 4 | - | (161) |
| **Loss for the year** | | - | (1,607) |
| Other comprehensive loss for the year | | - | - |
| **Total comprehensive loss for the year** | | - | (1,607) |

# Statement of Financial Position
## as at 30 June 2011

| | Notes | 2011 $ | 2010 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 5 | 112,610 | 284 |
| Trade and other receivables | 6 | 45,392 | 32,897 |
| Othe Current Assets | 7 | 41,762 | - |
| **Total Current Assets** | | 199,764 | 33,181 |
| **Total Liabilities** | | | |
| Trade and other payables | 8 | 222,711 | 56,128 |
| **Total Current Liabilities** | | 222,711 | 56,128 |
| **Net Liabilities** | | (22,947) | (22,947) |
| **Equity** | | | |
| Accumulated losses | | (22,947) | (22,947) |
| **Total Deficiency** | | (22,947) | (22,947) |

**These financial statements should be read in conjunction with the accompanying notes.**

# Statement of Changes in Equity

for the year ended 30 June 2011

| | Accumulated losses $ | Total $ |
|---|---|---|
| **Balance at 1 July 2009** | (21,340) | **(21,340)** |
| Total comprehensive loss for the year | (1,607) | **(1,607)** |
| **Balance at 30 June 2010** | (22,947) | **(22,947)** |
| **Balance at 1 July 2010** | (22,947) | **(22,947)** |
| Total comprehensive loss for the year | - | **-** |
| **Balance at 30 June 2011** | (22,947) | **(22,947)** |

# Statement of Cash Flows

for the year ended 30 June 2011

| | Notes | 2011<br>$ | 2010<br>$ |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| Receipts from donors | | 211,592 | 318,684 |
| Payments to charities and suppliers | | (102,058) | (317,037) |
| Interest received | | 3,009 | 997 |
| Bank charges | | (217) | (330) |
| Income tax paid | | - | (2,615) |
| **Net cash provided by/(used in) operating activities** | 11 | 112,326 | (301) |
| **Cash Flow from Investing Activities** | | | |
| **Net cash provided by investing activities** | | - | - |
| **Cash Flow from Financing Activities** | | | |
| **Net cash provided by financing activities** | | - | - |
| Net increase/(decrease) in cash held | | 112,326 | (301) |
| Cash at beginning of year | | 284 | 585 |
| **Cash at end of year** | 5 | 112,610 | 284 |

# Notes to the Financial Statements

for the year ended 30 June 2011

## 1. Statement of significant accounting policies

The financial report covers Footprints Fundraising Inc. as an individual entity. Footprints Fundraising Inc. is an association incorporated in New South Wales under the Associations Incorporation Act 2009.

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 2009 and Charitable Fundraising Act (NSW) 1991.

### Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of Footprints Fundraising Inc. comply with International Financial Reporting Standards (IFRS).

### Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### Going concern

Footprints Fundraising Inc. was in a break even position, had accumulated losses and a net asset deficiency for the year ended 30 June 2011. However, the members have prepared the financial statements on a going concern basis as World Nomads Group Pty Limited have provided a letter of suppport so to ensure that Footprints Fundraising Inc. are financially able to pay its expenses as and when they fall due.

### Third statement of financial position

Two comparative periods are presented for the statement of financial position when the Association:

i) Applies an accounting policy retrospectively,
ii) Makes a retrospective restatement of items in its financial statement, or
iii) Reclassifies items in the financial statements.

We have determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

## 1. Statement of significant accounting policies (continued)

### Adoption of new and revised accounting standards

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following notes.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 *Amendments arising from the revisions to AASB 101*

Footprints Fundraising Inc. has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### Accounting policies

#### a. Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Association will derive sufficient future assessable income to enable the benefit to be realised to comply with the conditions of deductibility imposed by the law.

## 1. Statement of significant accounting policies (continued)

### b. Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

At each reporting date, the Association 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

### c. 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 short-term borrowings in current liabilities on the balance sheet.

## 1. Statement of significant accounting policies (continued)

### d. Revenue

Revenue from donations is recognised when pledged.

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

Other income is generated through partnerships to allow 100% of donations to be passed through to the projects

### e. Comparative figures

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

### f. Critical accounting estimates and judgements

The Committee Members evaluate estimates and judgements incorporated into the financial report 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 association.

**Key estimates - impairment**

The association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined.

## 2. Revenue

| | 2011 | 2010 |
|---|---|---|
| | $ | $ |
| Donations received | 214,687 | 287,132 |
| | 214,687 | 287,132 |
| Interest received | 3,009 | 997 |
| Miscellaneous income | 46,511 | - |
| | 49,520 | 997 |

## 3. Loss for the year

| | 2011 | 2010 |
|---|---|---|
| | $ | $ |
| **Expenses** | | |
| Donations paid | 214,687 | 287,645 |
| Consulting fees | 30,400 | - |
| Other expenses | 18,903 | 1,600 |
| Bank charges | 217 | 330 |

There was no remuneration paid to the auditors, Grant Thornton Audit Pty Limited, for audit and non-audit services during the year.

## 4. Income tax expense

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| The components of tax expense comprise: | | | |
| Current tax * | | - | 161 |

* On 29 June 2010, Footprints Fundraising Inc obtained a tax ruling resulting in the Association being exempt from any tax liability commencing from 1 July 2009.

The prima facie tax payable on loss before income tax is reconciled to the income tax expense as follows:

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010 : 30%) | | - | - |
| Add tax effect of: | | | |
| - Donations paid to non-deductible gifts recipients | | - | - |
| - Donations not paid out by year end | | - | - |
| - Tax liability in prior year brought to account | | - | 161 |
| Less tax effect of: | | | |
| - Future deductions for donations to deductible gift recipients | | - | - |
| - Prior year donations paid out in current year | | - | - |
| Income tax expense attributable to the association | | - | 161 |

## 5. Cash and cash equivalents

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| Cash at bank and in hand | | **112,610** | 284 |
| | | **112,610** | 284 |

## 6. Trade and other receivables

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| **Current** | | | |
| Donations Receivable | | **45,392** | 32,897 |
| | | **45,392** | 32,897 |

## 7. Other Current Assets

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| **Current** | | | |
| Prepayments | | **38,000** | - |
| GST receivable | | **3,762** | |
| | | **41,762** | - |

## 8. Trade and other payables

| | | 2011 $ | 2010 $ |
|---|---|---|---|
| **Current** | | | |
| Donations payable | | **76,280** | 493 |
| Accrued income | | **46,665** | - |
| Amounts payable to related parties | 10 | **99,766** | 55,635 |
| | | **222,711** | 56,128 |

## 9. Economic dependency

Footprints Fundrasing Inc is economically dependent on World Nomads Group Pty Limited to pay its expenses and provide on going support with regards to operational and technology support.

## 10. Related Party Transactions

During the year ended 30 June 2011, the following unsecured loans were made to Footprints Fundraising Inc. from related parties:

| | 2011 | 2010 |
|---|---|---|
| | $ | $ |
| Surecan Technology Pty Ltd | 24,135 | 24,135 |
| WNG Services Pty Ltd | 75,631 | - |
| SureSave.Net Pty Limited | - | 31,500 |
| | 99,766 | 55,635 |

Also during the year, Footprints Fundrasing Inc's expenses were paid by WNG Services Pty Limited. In addition, WNG Services Pty Limited carried out all administration functions for the Association. Simon Monk is the director of the related entity.

There were no compensation payments made to key management personnel during the year.

## 11. Cash flow information

| | 2011 | 2010 |
|---|---|---|
| | $ | $ |
| **Reconciliation of Cash Flow from Operations with loss after income tax** | | |
| Loss after income tax | - | (1,607) |
| Non-cash flows in profit from ordinary activities | - | - |
| Changes in assets and liabilities: | | |
| - (Increase)/decrease in donations receivables | (12,495) | 2,739 |
| - Increase in other assets | (41,762) | - |
| - Increase in deferred tax asset | - | (4,025) |
| - Increase in donations payables | 166,583 | 1,021 |
| - Increase in provision for tax | - | 947 |
| Cash flows from operations | 112,326 | (925) |

## 12. Financial instruments

### Financial risk management policies

The Association is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Association's objectives, policies and processes for managing these risks.

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans from related parties.

The overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. Footprints Fundraising Inc. does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks the association is exposed to are described below.

The Association did not have any derivative instruments at 30 June 2011.

## 12. Financial instruments (cont)

**a. Financial risk exposures and management**

The main risks the entity is exposed to through its financial statements are interest rate risk and liquidity risk.

Interest rate risk

The entity had no fixed or floating rate debt as at 30 June 2011 or 30 June 2010. Related party loans attract no interest. Interest is received on bank balances.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that donations to charities are not made until the donations are collected from the underwriters.

## 13. Events after the balance sheet date

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

The financial report was authorised for issue on 10 November 2011.

## 14. Fundraising activities conducted

Fundraising appeals conducted in 2011, under the Charitable Fundraising Act 1991, included the collection of micro donations from partners' customers for charities. There was also $70,000 raised from charity partners to fund the business development of footprints.

No other fundraising activities were conducted during the year.

## 15. New Accounting Standards and Australian Accounting Interpretations

There have been new Australian Accounting Standards and Australian Accounting Interpretations issued or amended, which are applicable to the Association, but are not yet effective. They have not been adopted in the preparation of the financial report, as it is believed these will have no material effect.

## 16. Association details

The registered office of the Association is:

*Footprints Fundraising Inc*
*Level 5*
*24 York Street*
*SYDNEY NSW 2000*

The principal place of business is:

*Footprints Fundraising Inc*
*Level 5*
*24 York St*
*SYDNEY NSW 2000*

# Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 3 to 13:

1. Presents a true and fair view of the financial position of Footprints Fundraising Inc. as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Footprints Fundraising Inc. 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:

*Simon Monk*
Public Officer

Aine Leonard
*Aine Leonard*
Committee Member

Dated this 10th day of November 2011

# Declaration by Public Officer in respect of fundraising appeals

**Opinion**

I, Simon Monk, Public Officer of Footprints Fundraising Inc. declare, in my opinion:

a the financial statements give a true and fair view of all income and expenditure of Footprints Fundraising Inc. with respect to fundraising appeal activities for the financial year ended 30 June 2011;

b the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2011;

c the provisions of the Charitable Fundraising (NSW) Act 1991 and the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 July 2010 to 30 June 2011; and

d the internal controls exercised by Footprints Fundraising Inc. are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

*Simon Monk*
Public Officer

Dated this 10th day of November 2011

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# Independent Auditor's Report
# To the Members of Footprints Fundraising Inc.

We have audited the accompanying financial statements of Footprints Fundraising Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2011, and the statement of 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 and other explanatory notes to the financial statements and the statement by the Committee of Management.

## Responsibility of the Committee of Management for the financial statements

The Committee of Management of the Association is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), Associations Incorporation Act 2009 (NSW) and Charitable Fundraising (NSW) Act 1991. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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. The Committee also states in the notes to the financial statements, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Grant Thornton

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of 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 judgement, 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 Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

**Auditor's opinion**

In our opinion,

a the financial report of Footprints Fundraising Inc.

- i presents fairly, in all material respects, the Association's financial position as at 30 June 2011 and of its performance and cash flows for the year then ended ;
- ii complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and Associations Incorporation Act 2009;
- iii the financial report and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the regulations;
- iv monies received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with Charitable Fundraising Act 1991 and its regulations; and

Grant Thornton

v there are reasonable grounds to believe Footprints Fundraising Inc. will be able to pay its debts as and when they fall due.

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 10 November 2011