

ZOE Foundation Australia Limited

ABN 88 154 438 427
Financial Statements

For the Year Ended 31 December 2014

ZOE Foundation Australia Limited

ABN 88 154 438 427

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For the Year Ended 31 December 2014

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ZOE Foundation Australia Limited

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Directors' Report

For the Year Ended 31 December 2014

The directors present their report on ZOE Foundation Australia Limited for the financial year ended 31 December 2014.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Glen Forester Slimmon

David Owen Cross

Tamara Lee Cross

Michael Robert Hart

Lester Isao Ginoza

Andrea Lyn Stickland

On June 27th 2014, the directors accepted the resignation of Tamara Lee Cross and Andrea Lyn Stickland was appointed as a director.

Principal activities

The principal activities of the company during the financial period were to:

- fund the deployment of human trafficking prevention programs and rescue operations in Thailand through the Foundation's in-country partner ZOE International Foundation;
- provide funding to ZOE Children's Homes in Chiang Mai Thailand which provides shelter and aftercare to child trafficking survivors;
- provide financial support to ZOE Foundation Australia's in-country field workers who volunteer their time to train, equip and empower local Thai communities and local ZOE staff in best practice trafficking prevention, awareness, rescue and rehabilitation practices; and
- lead awareness campaigns in Australia to galvanise local support and involvement in the Foundation's activities and equip and mobilise individuals and organisations to support anti-trafficking initiatives.

No significant changes in the nature of the company's activities occurred during the financial year.

Short-term and Long-term objectives

The company's short-term and long-term objectives are to:

- through direct action, combat trafficking of children who are vulnerable because of poverty, sickness, suffering, distress, misfortune, disability, destitution, or helplessness through support, education, program implementation, participatory training, emergency shelters and homes and advocacy;
- provide shelter and homes to orphans and other children who have been victims of abuse or are at risk of abuse;

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For the Year Ended 31 December 2014

- provide relief through care and other education, and other support to:
 - prevent human trafficking and child exploitation by addressing the underlying causes to affect long term change;
 - build the capacity of individuals, communities, organisations and governments to protect children and partner with such groups to implement programs that are sustainable;
 - care for all aspects of a child's development including body (physical condition), soul (mental / emotional condition) and spirit (spiritual condition);
 - provide education programs for adults that include biblical teaching, business training, vocation training, language programs, and human trafficking awareness; and
 - promote sustainable and community-based support activities and practices;
- facilitate volunteers to participate in development and relief projects;
- provide financial and other assistance to our in-country partner ZOE International Foundation Thailand to deploy trafficking prevention and awareness programs and rescue and rehabilitate trafficking survivors; and
- raise funds from the public, corporate donors and government agencies, to support development and activity in furtherance of the above objects and purposes; and bring a permanent end to child trafficking.

Strategy for achieving the objectives

To achieve these objectives, the company has adopted the following strategies:

- Promote trafficking awareness in Australia to galvanise local support and involvement in the Foundation's activities and equip and mobilise individuals, organisations and government to support anti-trafficking initiatives.
- Raise funds from the public, corporate donors and government agencies to support the activities of the Foundation.
- Collaborate with our in-country partner ZOE International Foundation Thailand to fund and implement programs, projects and activities that are innovative, replicable and sustainable to fight the root causes of child trafficking.
- Support ZOE Foundation Australia's in-country field workers who volunteer their time to train, equip and empower local Thai communities and local ZOE staff in best practice trafficking prevention, awareness, rescue and rehabilitation practices.
- Establish and foster working partnerships with a range of local and in-country stakeholders.

Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

The company's key performance measures relate to the level of donations received, other key donor indicators and project related indicators that are key to the overall purpose of the company.

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Directors' Report

For the Year Ended 31 December 2014

Information on directors

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

Glen Forester Slimmon

Qualifications

Bachelor of Economics (Honours), Monash University.
Master of Property & Construction, University of Melbourne.

Experience

Glen has over 15 years of experience in real estate and investment banking and is Director of Advisory at Sinclair Brook, a specialist real estate advisory and development group. Glen has extensive experience in acquisitions, the formation of joint ventures, investment banking, development management, transaction and financial structuring, equity and debt raising, financial management, asset repositioning, divestment and advisory roles. Glen spent four years with Macquarie Group as an investment manager for Macquarie Real Estate Equity Funds, a diversified unlisted development fund with investments in significant residential, office and industrial developments across Australia. During his time at Macquarie, Glen was responsible for managing principal investments in development projects with a combined end value of \$500+ million. Prior to joining Macquarie, Glen was a Director with MacroPlan Australia, a boutique property advisory, where he had responsibility for advising Australia's largest landholders, asset owners and developers in their acquisitions, development projects and divestments and was also a senior economist with Ernst & Young and KPMG Consulting.

David Owen Cross

Qualifications

Bachelor of Commerce, Deakin University.

Experience

David is the Manager of Child Protection and Communications at ZOE Children's Homes in Thailand. David is passionate about the rescue and long-term wellbeing of children. In 2010, David and his wife Andrea and their three children moved to Thailand to be field workers with ZOE International Foundation, Thailand on a volunteer basis. David works to ensure that all children are protected, as he trains staff, volunteers and the ZOE children about safety and protection. David also assists with communications between the ZOE volunteers and supporters and he manages the child sponsorship program in Thailand. David also oversees the implementation of projects and programs funded by ZOE Foundation Australia. Prior to joining ZOE, David owned and managed a business in Australia for 16 years, using his position to practically and financially support Australian children, through specialised children's camps (2000) and work as a foster carer (2004).

Tamara Lee Cross

Qualifications

Bachelor of Nursing, Monash University.

Experience

Tammy is the Managing Director of Cross Medical and Surgical a business that specialises in supplying surgical products to the medical industry across Australia and New Zealand. Tammy has also worked for a number of multi-national companies selling medical equipment and pharmaceuticals for over 10 years. Tammy supports a number of not-for-profit organisations in Australia and overseas. She volunteers with C.H.I.P.S. – a non-profit organisation based in the south-eastern suburbs of Melbourne, whose purpose is to love, support and encourage the primary school community providing a variety of welfare support services and facilitating camps for children in crisis.

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Directors' Report

For the Year Ended 31 December 2014

Michael Robert Hart

Qualifications

Bachelor of Business Administration, American Intercontinental University.
Masters of Education, American Intercontinental University.

Experience

Michael is the Founder and CEO of ZOE and ZOE International Foundation Thailand and is responsible for the strategic vision and operational management of ZOE Children's Homes in Thailand. For over 20 years, Mike and his wife Carol have nurtured a powerful dream to rescue at-risk children and care for children who have been victims of trafficking. Michael and Carol moved to Thailand from the United States in 2002 to establish ZOE Children's Homes. The organisation now employs 58 full-time local staff and 20 Australian and American volunteers; has provided comprehensive aftercare to 115 children and has cultivated effective partnerships with the Thai Ministry of Social Welfare and Human Security, Immigration Department and Transnational Crime Unit Police Region 5 as well as other NGOs including TRAFCORD, World Vision and Children's Hunger Fund.

Lester Isao Ginoza

Qualifications

Director

Bachelor of Business Administration, University of Hawaii.

Experience

Les is the Vice President of Operations for ZOE worldwide. Les is also the director of the ZOE business school and micro-enterprise program. He oversees humanitarian projects to feed the poor and helps develop self-sustaining projects in lower economic communities to help combat one of the major reasons for human trafficking – poverty. He mentors ZOE's Thai male staff and is in charge of developing self-sustaining agricultural and husbandry projects at ZOE.

Les has over 17 years of senior management experience in various financial institutions in Hawaii and California. He previously served as the President of the Hawaii Credit Union Marketers' Association and now serves as the Vice President of ZOE and is on the ZOE Board of Directors.

Andrea Lyn Stickland

Qualifications

Bachelor of Law (Honours), The University of London

Experience

Andrea has a Law Degree (Hons) from the University of London and has worked in various senior roles in legal and corporate governance for over 10 years, including as the Manager of Legal Services at the University of Ballarat. Starting in 2001, Andrea and her husband launched three technology companies now employing 30 staff. Andrea now works in an advisory role across the businesses. Andrea has a strong personal commitment to empowering the disadvantaged both locally and abroad, and currently also serves on the Board of Elders at CityLife Church in Melbourne, Australia.

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

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Directors' Report

For the Year Ended 31 December 2014

Members guarantee

ZOE Foundation Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10, subject to the provisions of the company's constitution.

At 31 December 2014 the collective liability of members was \$ 10 (2013: \$ 10).

Meetings of directors

During the financial year, 3 meetings of directors were held. Attendances by each director during the year were as follows:

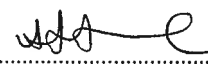
	Directors' Meetings	
	Number eligible to attend	Number attended
Glen Forester Slimmon	3	3
David Owen Cross	3	3
Tamara Lee Cross	2	2
Michael Robert Hart	3	3
Lester Isao Ginoza	3	3
Andrea Lyn Stickland	1	1

Auditor's independence declaration

The lead auditor's independence declaration in accordance with Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2014 has been received and can be found on page 6 of the financial report.

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

Director: 

Director: 

Dated 16 JUNE 2015

Auditor's Independence Declaration to the Directors of Zoe Foundation Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia (formerly Moore Stephens)
Chartered Accountants



Scott Phillips
Partner

Melbourne, 23 June 2015

ZOE Foundation Australia Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue	2a	98,567	486,451
Program expenses		(22,228)	(414,700)
Disbursements to field workers		(72,000)	(78,000)
Bank charges and merchant fees		(831)	(1,735)
Marketing and promotion expense		-	(3,354)
Professional fees		(2,728)	(4,636)
Operations expense		(1,954)	(3,180)
Travel expense		(1,328)	(605)
Deficit for the year		(2,502)	(19,759)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		(2,502)	(19,759)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 31 December 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	93,739	96,241
TOTAL CURRENT ASSETS		<u>93,739</u>	<u>96,241</u>
TOTAL ASSETS		<u>93,739</u>	<u>96,241</u>
TOTAL LIABILITIES		-	-
NET ASSETS		<u>93,739</u>	<u>96,241</u>
EQUITY			
Accumulated surpluses		93,739	96,241
TOTAL EQUITY		<u>93,739</u>	<u>96,241</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2014

2014

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2014	96,241	96,241
Deficit for the year	(2,502)	(2,502)
Other comprehensive income	-	-
Balance at 31 December 2014	93,739	93,739

2013

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2013	116,000	116,000
Deficit for the period	(19,759)	(19,759)
Other comprehensive income	-	-
Balance at 31 December 2013	96,241	96,241

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments for program expenses and disbursements to field workers and operating expenses	(101,069)	(506,210)
Donations received	97,035	484,783
Interest received	1,532	1,668
Net cash (used in) operating activities	<u>(2,502)</u>	<u>(19,759)</u>
Net (decrease) in cash and cash equivalents held	(2,502)	(19,759)
Cash and cash equivalents at the beginning of year	<u>96,241</u>	<u>116,000</u>
Cash and cash equivalents at the end of financial year	<u>3</u> <u>93,739</u>	<u>96,241</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

ZOE Foundation Australia is a company limited by guarantee incorporated and domiciled in Australia on 24 November 2011 (commencing trading on the same day).

The directors have prepared the financial statements on the basis that ZOE Foundation Australia is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that has been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Income Tax

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

The income tax exemption is dependent upon meeting all of the relevant requirements. The company has identified that it has not met all requirements during the year and is currently working with the Australian Taxation Office to resolve this. Failure to satisfy all of the requirements means that the Australian Taxation Office may withdraw its income tax exemption.

At the time of finalising the accounts, it is not possible to say with any certainty what the likely outcome of the discussions with the Australian Taxation Office will be.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

(d) Revenue and other income

Interest is recognised on an effective interest rate method in relation to the outstanding financial asset.

Donations are recognised as revenue when received.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

(e) Goods and Services Tax (GST)

The company is below the GST Turnover threshold and is not registered for GST. All revenue, expenses, assets and liabilities are shown inclusive of GST.

(f) 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

2 Net Current Year Surplus

(a) Revenue from continuing operations

	2014	2013
	\$	\$
Operating activities		
- Interest income	1,532	1,668
- Donations	97,035	484,783
	<u>98,567</u>	<u>486,451</u>

(b) Expenses

Remuneration of auditor:

- Auditing the financial report	1,133	1,000
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3 Cash and cash equivalents

Cash at bank	<u>93,739</u>	<u>96,241</u>
	<u>93,739</u>	<u>96,241</u>

4 Events Occurring After the Reporting Date

With reference to Note 1(c), the company has requested a review from the ATO in relation to its position in meeting the requirements of the "In Australia test" for income tax exemption purposes. The review is expected to be conducted in the period post 31 December 2014.

5 Company Details

The registered office of the company is:

ZOE Foundation Australia
16 Grantham Crescent
Berwick, VIC 3806

ZOE Foundation Australia Limited

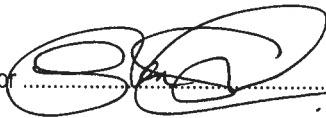
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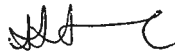
Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay 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 16 JUNE 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZOE FOUNDATION AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Zoe Foundation Australia Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, 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 Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the reporting 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 a financial report 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 report based on our audit. We 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 about 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 of the financial report 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 report.

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

Basis for Qualified Opinion

Zoe Foundation Australia Limited has not met the income tax exemption requirements as disclosed in Note 1(c). This situation could indicate the existence of a material uncertainty in relation to unknown financial penalties that may be imposed by the ATO (Australian Tax Office) on the company. As of the date of this report, no formal assessment of any penalties has been imposed.

Qualified Opinion

In our opinion, except for the matter referred to in the Basis for Qualified Opinion paragraph, the financial report of Zoe Foundation Australia Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

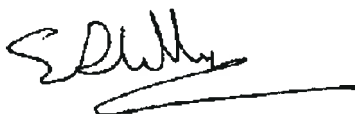
- (i) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has 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 report may not be suitable for another purpose.

ShineWing Australia

ShineWing Australia (formerly Moore Stephens)
Chartered Accountants



Scott Phillips
Partner

Melbourne, 23 June 2015