

SPARK OF HOPE INC

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The financial statements were approved by the Board of Directors on 27 July 2018.

The financial statements were prepared in accordance with the Accounting Standards for Not-for-Profit Entities (AS/NFPE) issued by the Australian Accounting Standards Board (AASB).

The financial statements were prepared on an accrual basis and comply with the requirements of the AS/NFPE.

The financial statements were prepared on a going concern basis. The Board of Directors has reviewed the financial statements and is satisfied that the going concern basis is appropriate.

The financial statements were prepared on a historical cost basis.

The financial statements were prepared on a basis of consistency with the financial statements for the previous financial year.

The financial statements were prepared on a basis of prudence.

The financial statements were prepared on a basis of objectivity.

The financial statements were prepared on a basis of transparency.

The financial statements were prepared on a basis of accountability.

The financial statements were prepared on a basis of integrity.

The financial statements were prepared on a basis of honesty.

The financial statements were prepared on a basis of fairness.

SPARK OF HOPE INC

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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SPARK OF HOPE INC

MEMBERS OF THE BOARD REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The members of the Board of Spark of Hope Inc (the "Board") present their report, together with the financial statements, on Spark of Hope Inc for the financial year ended 30 June 2018.

The Spark of Hope Inc financial report is a "special purpose financial report".

Members of the Board

The following persons were members of the individual entities within Spark of Hope Inc during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Barry McGookin (President)
Ms Raelle Smit (Vice President)
Mrs Anna McGookin (Secretary)
Mrs Dianne Street (Treasurer)
Mr Jarred Parsons

Principal activities and any significant changes to those activities during the year

The principal activities of Spark of Hope Inc comprise:

- creating an environment that provides an improved quality of life for both the horse and adult or young person;
- using equine-based learning programs to enable participants to develop improved levels of trust, focus, communication, self-esteem, emotional control, problem solving skills and a greater awareness of personal boundaries and strengths.

There were no significant changes to the principal activities during the year.

Review of operations and results

Significant changes to the state of affairs

There were no significant changes to the state of affairs of the entities within Spark of Hope Inc during the course of the financial year.

Subsequent events

Since the end of the financial year, there were no subsequent events affecting the operations, results of operations or the state of affairs of the individual entities within the Spark of Hope Inc.

Likely developments

There are no likely developments to impact the financial results of the entities within Spark of Hope Inc during the financial year ending 30 June 2019.

SPARK OF HOPE INC

MEMBERS OF THE BOARD REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Continued)

Environmental Regulations

Spark of Hope Inc is not subject to any significant environmental laws or regulations.

Indemnification of Members of the Board

Directors and Officers insurance is not held by Spark of Hope Inc.

Board meetings

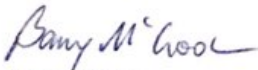
The following table sets out the number of Board meetings during the financial year and the number of meetings attended by each member. During the financial year ended 30 June 2018, there were four meetings of the Board.

	Board Meeting	
	Eligible to attend	Attended
Mr Barry McGookin	4	4
Ms Raelle Smit	4	3
Mrs Anna McGookin	4	4
Mrs Dianne Street	4	3
Mr Jarred Parsons	4	4

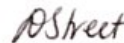
Governance procedures

The Governance procedures of the Board include the following elements:

- Board meetings are held at least every three months and the Board met four times during the financial year;



Barry McGookin
President of the Board



Dianne Street
Treasurer

Date: 24 November 2018
Melbourne

Date: 24 November 2018
Melbourne

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
INCOME FROM CONTINUING OPERATIONS		
General revenue	6,464	5,627
Total income from continuing operations	6,464	5,627
EXPENSES FROM CONTINUING OPERATIONS		
Advertising	(38)	-
Bank Fees	(28)	(45)
Cleaning (Portable Toilet Hire)	(1,544)	-
Insurance	(1,799)	(1,825)
Legal Expenses	-	(139)
Depreciation and amortisation	(415)	(625)
Other Operating expenses	(352)	(537)
Total expenses from continuing operations	(4,176)	(3,171)
SURPLUS FOR THE FINANCIAL YEAR	2,288	2,456
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	2,288	2,456

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

SPARK OF HOPE INC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents		5,076	2,373
Total current assets		5,076	2,373
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	4,298	1,894
Less: Accumulated Depreciation on Property, Plant & Equipment		(1,914)	(1,498)
Total non-current assets		2,364	396
TOTAL ASSETS		7,460	2,769
LIABILITIES			
Loans	5	2,404	-
Total liabilities		2,404	-
NET ASSETS		5,057	2,769
EQUITY			
Retained Earnings		2,769	313
Current Year Earnings		2,288	2,456
TOTAL EQUITY		5,057	2,769

The above statement of financial position should be read in conjunction with the accompanying notes.

SPARK OF HOPE INC

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Total \$
2018	
Total equity at the beginning of the financial year 1 July 2017	2,769
Net Surplus	2,288
Other Comprehensive Income	-
Total comprehensive income for the financial year	5,057
Total equity as at 30 June 2018	5,057
2017	\$
Total equity at the beginning of the financial year 1 July 2016	313
Net Surplus	2,456
Other Comprehensive Income	-
Total comprehensive income for the financial year	2,769
Total equity as at 30 June 2017	2,769

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SPARK OF HOPE INC

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts:</i>		
Receipts from contributions	6,464	5,627
Total receipts	6,464	5,627
<i>Payments:</i>		
Payments to suppliers	(3,761)	(2,546)
Total payments	(3,761)	(2,546)
Net cash provided by operating activities	2,703	3,081
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Short-term loans:</i>		
Loans from members	-	(1,636)
Total Short-term loans		(1,636)
Net cash provided by financing activities	-	(1,636)
Net (decrease)/increase in cash and cash equivalents held	2,703	1,445
Cash and cash equivalents at the beginning of the financial year	2,373	928
Cash and cash equivalents at the end of the financial year	5,076	2,373

The above statement of cash flows should be read in conjunction with the accompanying notes.

SPARK OF HOPE INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1 – GENERAL INFORMATION

Spark of Hope Inc Financial Report is a "special purpose financial report".

The principal place of business for all entities within Spark of Hope Inc is as follows:

160 Whipstick Road
Mt Egerton VIC 3352

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Framework

Spark of Hope Inc is not a reporting entity as in the opinion of the Board it is unlikely that users of the financial report exist, who are unable to command the preparation of reports tailored so as to satisfy, specifically, all their needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board within Spark of Hope Inc and the Australian Charities and Not-for-Profits Commission Act (ACNC) 2012.

b) Statement of compliance

The financial report is a special purpose financial report prepared in accordance with the recognition and measurement requirements of the applicable Australian Accounting Standards, including interpretations (AASs) and the disclosure requirements of the Australian Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

c) Basis of preparation

Reporting basis and conventions

The financial report is prepared on an accrual basis and is based on historical cost.

New and revised AASBs affecting the reported financial performance and/or financial position

Spark of Hope Inc has reviewed all new accounting standards and amendments applicable for the first time in their annual reporting period commencing 1 July 2017 and determined that there was no material impact on its financial statements in the current reporting year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of preparation *continued*

Critical accounting estimates and judgments

The preparation of the financial statements in conformity with AAS's requires the use of certain critical accounting estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. It also requires management to exercise its judgment, make estimates and assumptions in the process of applying the accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision and related changes in accounting estimates are recognised in the period in which the estimate is revised and in subsequent periods if the revision affects future periods.

The following are the critical judgements in applying accounting policies and key sources of estimation uncertainty that management has made in applying the Spark of Hope's policies and that have the most significant effect on the amounts recognised in the financial statements.

i. Key sources of estimation uncertainty

No material estimates were applied in preparing the financial statements for the current year.

Rounding of amounts

All amounts shown in the financial report are expressed to the nearest dollar, unless otherwise stated.

d) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Spark of Hope and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

The fair value at the reporting date of cash and cash equivalents is the same as its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property, plant and equipment

Spark of Hope Inc recognises plant and equipment items that meet AASB 116 *Property, Plant and Equipment* recognition criteria. Plant and equipment acquisitions with an expected useful life exceeding 12 months are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment.

Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation

Depreciation is charged to income on a straight-line basis over the estimated useful lives of each item of property and equipment. The depreciation rates in the current and comparative periods are as follows:

Class of asset	Depreciation rates	
	2018	2017
Property, plant and equipment	15% - 33%	15% - 33%

The estimated useful lives, residual values and depreciation method are reassessed annually, with the effect of any changes recognised on a prospective basis.

Disposals

The gain or loss arising from disposals of plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

g) Payables

Payables are stated at amortised cost. They are related to the amounts to be paid in the future for goods and services received.

Trade payables are reported at their carrying amount, where this is a reasonable approximation of their fair value.

h) Revenue

(i) Donations

All donations are recognised in the statement of profit or loss and other comprehensive income on a cash basis, when received.

i) Other comprehensive income from continuing operations

Other comprehensive income from continuing operations include gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net profit.

SPARK OF HOPE INC

j) Goods and services tax

As Spark of Hope is not registered for Goods and Services tax (GST) it cannot charge GST or claim GST input credits. The amount of GST incurred is not recoverable from the taxation authority. Therefore, the cost of expenses and assets are recognised inclusive of the amount of GST. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

k) Income tax

Spark of Hope Inc is a tax-exempt not-for-profit and accordingly no provision for income tax has been made.

l) Functional and presentation currency

The functional currency of Spark of Hope Inc is the Australian dollar, which has also been identified as the presentation currency.

m) New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

(i) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

Spark of Hope Inc has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2017.

AASB 1048 Interpretation of Standards

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2017-2 Amendments to Australian Accounting Standards – Further annual improvements 2014-2016

AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB15 Not for Profit Entities

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in Spark of Hope's financial statements.

(ii) New and revised Australian Accounting Standards in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. Spark of Hope Inc's management assess the impact of these new standards, their applicability and whether to adopt early.

As at 30 June 2018, the following applicable standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2018. Spark of Hope Inc has not, and does not intend to, adopt these standards early.

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New and revised Australian Accounting Standards in issue but not yet effective (continued)

At the date of authorisation of the financial statements, the Standards and interpretations listed below were in issue but not yet effective.

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' as applicable to not for profit entities	1 January 2019	30 June 2020
AASB 1058 Income for Not for profit entities	1 January 2019	30 June 2020
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2008-1 Amendments to Australian Accounting Standards – annual Improvements 2015-2017 cycle	1 January 2019	30 June 2020
AASB 2008-2 Amendments to Australian Accounting Standards – Plan, Amendment, Curtailment or Settlement	1 January 2019	30 June 2020

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Amendments to References to the conceptual framework in IFRS Standards	1 January 2020	30 June 2021
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Spark of Hope Inc has commenced the assessment of the potential effect of the revised standards as follows:

Standard/amendment

AASB 15 Revenue and AASB 1058 Income for Not-for-profit entities

AASB 15 was issued in December 2014 to replace AASB 118 Revenue. AASB 1058 contains new income recognition requirements for not for profit entities via AASB 1058 Income of NFP entities, AASB 2016-8 NFP specific guidance in AASB 15 and AASB 2016-7 deferral of AASB 15 was issued in December 2016 and replaces AASB 1004 Contributions.

AASB 1058 shifts the focus from the current reciprocal/nonreciprocal basis of accounting for revenue to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements under AASB 1058 is that where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income would be recognised when (or as) the performance obligations are satisfied under AASB 15. Should the transaction fall outside of the scope of AASB 15, then income would be recognised immediately under AASB 1058.

It is currently impracticable to disclose any information on the known or to reasonably estimate the impact to the entity's financial statements in the period of initial adoption as management has yet to complete its detailed assessment on the impact of the initial adoption of AASB 15 and AASB 1058 on the financial statement of the group.

AASB 16 Leases

AASB 16 was issued in June 2016 and will supersede AASB 117 Leases and its associated interpretative guidance.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

m) New and revised AASBs affecting amounts reported and/or disclosures in the financial statements continued

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor AASB 117.

It is currently impracticable to disclose any information on the known or to reasonably estimable impact to the entity's financial statements in the period of initial adoption as management has yet to complete its detailed assessment on the impact of the initial adoption of AASB 16 on the financial statement of the company.

NFP entities have a choice of applying the new standards retrospectively or to use a modified transition approach (with no restatement of comparatives). Spark of Hope Inc anticipates adopting the modified transitional approach where transactional adjustments are to be recognised in retained earnings at the date of implementation of the standard without adjustment comparatives.

Spark of Hope Inc does not expect that the impact of the above-mentioned accounting standards and interpretations will be significant.

SPARK OF HOPE INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 3 – INCOME FROM CONTINUING OPERATIONS		
Crowdfunding	2,700	-
Donations	3,741	5,620
Interest Income	23	7
Total Income from continuing operations	6,464	5,627

	2018	2017
	\$	\$
NOTE 4 – PROPERTY PLANT AND EQUIPMENT		
Property, Plant and Equipment	2,404	1,894
Less: Accumulated Depreciation on Property, Plant & Equipment	(1,914)	(1,498)
Total Property, Plant and Equipment	2,404	396

	2018	2017
	\$	\$
NOTE 5 - PAYABLES		
Loan by Members	2,404	-
Total payables	2,404	-

NOTE 6 – RELATED PARTY INFORMATION

Members of Spark of Hope Inc

Members of the Board are not remunerated for their services.

There are no other transactions between Spark of Hope Inc and members of the Board or entities in which they serve in an official capacity or in which they have a material interest.

NOTE 7 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets at the reporting date (2017: nil).

NOTE 8 – SUBSEQUENT EVENTS

The members of the Board are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with in this report that has significantly or may significantly affect the operations of the entities within Spark of Hope Inc, the results of those operations or state of the affairs Spark of Hope Inc.

SPARK OF HOPE INC

DECLARATION BY MEMBERS OF THE BOARD

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

In the opinion of the members of the Board the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial statements are in accordance with the Australian Charities and Not-for-Profits Commissions Act 2012 and presents fairly the results of Spark of Hope's operations for the year ended 30 June 2018 and its state of affairs as at that date.

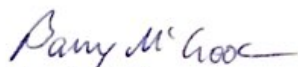
At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that Spark of Hope Inc will be able to pay its debts as and when they became due and payable.

This declaration is made in accordance with a resolution of the members of the Board of Spark of Hope Inc pursuant to s.60.15 of the Australian Charities and Not-for-Profits Commissions Regulations 2013.

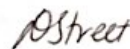
The members of the Board declare that:

- a) In the opinion of the members of the Board, there are reasonable grounds to believe that Spark of Hope Inc will be able to pay its debts as and when they become due and payable;
- b) In the opinion of the members of the Board, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-Profits Commissions Act 2012, including compliance with accounting standards and give a true and fair view of the financial positions and performance of the entity and the consolidated group.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-Profits Commissions Regulations 2013.



Barry McGookin
President of the Board



Dianne Street
Treasurer

Date: 24 November 2018
Melbourne

Date: 24 November 2018
Melbourne