

SPARK OF HOPE INC

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

SPARK OF HOPE INC

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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MEMBERS OF THE BOARD REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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 2017.

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 2018.

MEMBERS OF THE BOARD REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (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 2017, there were five meetings of the Board.

	Board Meeting	
	Eligible to attend	Attended
Mr Barry McGookin	5	4
Ms Raelle Smit	5	4
Mrs Anna McGookin	5	5
Mrs Dianne Street	5	4
Mr Jarred Parsons	5	4

Governance procedures

Board meetings are held at least every three months and the Board met five times during the financial year.



Barry McGookin
President



Dianne Street
Treasurer

Date: 25 November 2017
Melbourne

Date: 25 November 2017
Melbourne

SPARK OF HOPE INC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
INCOME FROM CONTINUING OPERATIONS		
General revenue	5,627	350
Total income from continuing operations	5,627	350
EXPENSES FROM CONTINUING OPERATIONS		
Bank Fees	(45)	(60)
Insurance	(1,825)	(1,636)
Legal Expenses	(139)	-
Depreciation and amortisation	(625)	(625)
Other Operating expenses	(537)	(85)
Total expenses from continuing operations	(3,171)	(2,406)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	2,456	(2,056)
OTHER COMPREHENSIVE INCOME		
	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR	2,456	(2,056)

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 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents		2,373	928
Total current assets		2,373	928
NON-CURRENT ASSETS			
Property, Plant & Equipment		1,894	1,894
Less: Accumulated Depreciation on Property, Plant & Equipment	3	(1,498)	(873)
Total non-current assets		396	1,021
TOTAL ASSETS		2,769	1,949
LIABILITIES			
Loans	4	-	(1,636)
Total liabilities		-	(1,636)
Net assets		2,769	313
EQUITY			
Retained Earnings		313	2,369
Current Year Earnings		2,456	(2,056)
Total equity		2,769	313

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Total \$
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
2016	\$
Total equity at the beginning of the financial year 1 July 2015	2,369
Net Surplus	(2,056)
Other Comprehensive Income	-
Total comprehensive income for the financial year	313
Total equity as at 30 June 2016	313

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 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts:</i>		
Receipts from contributions	5,627	350
Total receipts	5,627	350
<i>Payments:</i>		
Payments to suppliers	(2,546)	(145)
Total payments	(2,546)	(145)
Net cash provided by operating activities	3,081	205
 CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Short-term loans:</i>		
Loans from members	(1,636)	-
Total Short-term loans	(1,636)	-
Net cash used in financing activities	(1,636)	-
Net increase in cash and cash equivalents held	1,445	205
Cash and cash equivalents at the beginning of the financial year	928	723
Cash and cash equivalents at the end of the financial year	2,373	928

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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 and applied all new accounting standards and amendments applicable, and determined that there was no material impact on its financial statements in the current reporting year.

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 entity's 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of preparation continued

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 entity's policies and that have the most significant effect on the amounts recognised in the financial statements.

i. *Key judgments – none applicable*

ii. *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 the Entity 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.

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

f) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue

(i) Donations

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

h) 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.

i) Goods and services tax

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

j) Income tax

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

k) 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.

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

In the current year, Spark of Hope Inc has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2017, and therefore relevant for the current year end.

- *AASB 1057 Application of Australian Accounting Standards and AASB 2015-9 Amendments to Australian Accounting*
- *AASB 1057 Application of Australian Accounting Standards and AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 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 2017, the following applicable standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2017. Spark of Hope Inc has not, and does not intend to, adopt these standards early.

<i>Standard/Interpretation</i>	<i>Standard applicable for annual reporting periods beginning on or after</i>
AASB 9 'Financial Instruments',	1 January 2018
AASB 15 Revenue from Contracts with Customers, 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15, 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018
AASB 16 'Leases'	1 January 2019
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2018
AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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

m) Depreciation

Depreciation is charged to the Statement of Surplus or Deficit and other Comprehensive Income using the straight-line method over the estimated useful lives of each part of an item of plant and equipment.

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

Property, Plant & Equipment

	<i>2017</i>	<i>2016</i>
<i>Depreciation Rate</i>	33%	33%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 3 – PROPERTY, PLANT & EQUIPMENT		
Property, Plant & Equipment	1,894	1,894
Accumulated Depreciation Property, Plant & Equipment	(1,499)	(873)
Total Property, Plant & Equipment	396	1,021

Reconciliations of the written-down values at the beginning and end of the current and previous financial year are set out below.

	2017	2016
	\$	\$
Balance at 1 July	1,021	1,646
Additions	-	-
Depreciation	(625)	(625)
Balance at 30 June	396	1,021

	2017	2016
	\$	\$
NOTE 4 - PAYABLES		
Loan by Members	-	1,636
Total payables	-	1,636

NOTE 5 – 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.

Management

Remuneration received or receivable by the managers in connection with the management of Spark of Hope Inc during the financial year are included within the employee benefits in the statement of profit or loss and other comprehensive income.

There are no other transactions between Spark of Hope Inc and management.

NOTE 6 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets at the reporting date (2016: nil).

NOTE 7 – 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.

**DECLARATION BY MEMBERS OF THE BOARD
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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 Inc's operations for the year ended 30 June 2017 and its state of affairs as at that date.

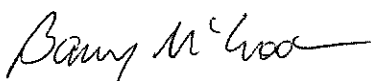
At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that Spark of Hope Inc will be able to pay its debts as and when they became due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

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



Dianne Street
Treasurer

Date: 25 November 2017
Melbourne

Date: 25 November 2017
Melbourne