

Thankyou Charitable Trust

Trustee: Thankyou Holdings Pty Ltd

ABN: 87 337 503 580

Financial Report

For the Year Ended 30 June 2018

Thankyou Charitable Trust

ABN: 87 337 503 580

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Thankyou Charitable Trust

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Trustee Report

30 June 2018

Thankyou Charitable Trust exists to distribute funds to Impact Partners in line with its vision: to empower humanity to choose a world without poverty. The Trust receives dividends from its subsidiaries: Thankyou Group Pty Ltd and Thankyou Future Fund Pty Ltd.

No directors of the corporate trustee can receive distributions from or share in surpluses of the trustee or the trust, and act as directors on a voluntary basis.

During this financial year, Thankyou Charitable Trust has been led by a group of three directors of its corporate trustee: Daniel Flynn (Chairman), Jarryd Burns and Justine Flynn. The directors present their report on the financial year ended 30 June 2018.

Meetings of directors

Over the financial year there were three meetings of directors.

Directors' Meetings	
Number eligible to attend	Number attended
Daniel Flynn	3
Justine Flynn	2
Jarryd Burns	3

Principal activity

There are two principal activities of the trust:

- The first is to continue the development and growth of a portfolio of outstanding and sustainably profitable businesses generating sufficient free operating cashflows, which should over time provide incrementally increasing dividend flows to the trust, as shareholder, from year to year; and
- The second is applying those dividends to funding global development projects aimed at addressing the issues of global poverty. Thankyou Charitable Trust carefully chooses and funds Impact Partners, who work with communities to deliver sustainable, measurable, empowering, and holistic solutions that aim to address the root causes of poverty.

No significant changes in the nature of the trust's activity occurred during the financial year.

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Trustee Report

30 June 2018

Short term objectives

The trust's short term objectives are to:

- Continue funding projects globally with our current partners where those activities align with the trust's vision; identify new project partners to work with including one or more local partners who focus on addressing the needs of indigenous Australians;
- Work with all our project partners in measuring and reporting on evidence-based outcomes;
- To ensure the trust's subsidiaries have the right resources, human and financial, to build exceptional businesses; and
- To finalise the development of the trust's three-year strategy.

Long term objectives

The trust's long term objectives are to:

- Be a major global voice and force toward the eradication of global poverty in our lifetime;
- Expand our program partnerships, the type of program approaches and thematic areas we fund, to further contribute to ending extreme poverty; and
- Be an effective funder and partner, with measurable and transparent outcomes for each project funded.

Strategy for achieving the objectives

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

- Funding programs and partners that align with the UN Sustainable Development Goals;
- Stringent and rigorous processes to evaluate potential projects and impact partners;
- Stringent and rigorous processes to evaluate programs and partners that received our funding;
- Development of strong relationships with impact partners;
- Integration of technology and systems to assist in reporting and transparency;
- Creating clear and open lines of communication between the directors of the subsidiaries and the directors of the trust's corporate trustee; and
- To communicate the impact our model is helping to create, to amplify our partnerships and their approaches, and to amplify the voices of the communities we serve with our funding.

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Trustee Report

30 June 2018

Operating results

As dividends received from Thankyou Group Pty Ltd and Thankyou Future Fund Pty Ltd are the primary source of funding received by the trust, the level of funding available to give to impact is dependent on the level of dividends declared the Group and Fund each year.

During the financial year, the trust distributed \$696,259 to impact partners (FY 2017: \$853,849).

The last two years the trust has received lower funding, however we have used this time to review the last ten years, the lessons learnt in funding development and applied these insights to developing the trust's strategy for the coming decade.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the trust during the year.

Events after the reporting date

On 21 September 2018, Mr Jarryd Burns resigned from his role as a director of the corporate trustee of Thankyou Charitable Trust. It is not expected that this will have an impact on the performance of the trust. The Chair and the directors honour and recognise the work that Mr Jarryd Burns has contributed to the trust. It has been remarkable and set a sound foundation for the future. The directors are currently reviewing potential candidates to join the board of the trustee company in 2019.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the trust, the results of those operations or the state of affairs of the trust in future financial years.

Proceedings on behalf of the trust

No person has applied for leave of court to bring proceedings on behalf of the trust or intervene in any proceedings to which the trust is a party for the purpose of taking responsibility on behalf of the trust for all or any part of those proceedings.

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



.....
Daniel Flynn - Director, Co-founder and Managing Director

Dated 25 March 2019

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Auditors Independence Declaration to the Trustee of Thankyou Charitable Trust

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, 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.

Saward Dawson

Saward Dawson

Peter Shields

Peter Shields
Partner

Date 25 March 2019

Blackburn

Thankyou Charitable Trust

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
Revenue		
Dividend revenue	740,193	797,365
Interest income	-	1,233
	<u>740,193</u>	<u>798,598</u>
Expenses		
Donations to project partners	3 (696,259)	(853,459)
Other expenses	(426)	(65)
	<u>(696,685)</u>	<u>(853,524)</u>
Surplus/(deficit) for the year	<u>43,508</u>	<u>(54,926)</u>
Other comprehensive income		
Items that will be reclassified to profit or loss when specific conditions are met		
Net fair value movements in financial assets	385,245	276,488
	<u>385,245</u>	<u>276,488</u>
Other comprehensive income for the year	<u>385,245</u>	<u>276,488</u>
Total comprehensive income for the year	<u>428,753</u>	<u>221,562</u>

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

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Statement of Financial Position

As at 30 June 2018

	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4 76,295	32,787
TOTAL CURRENT ASSETS	<u>76,295</u>	<u>32,787</u>
NON-CURRENT ASSETS		
Financial assets	5 3,745,636	3,360,391
TOTAL NON-CURRENT ASSETS	<u>3,745,636</u>	<u>3,360,391</u>
TOTAL ASSETS	<u>3,821,931</u>	<u>3,393,178</u>
NET ASSETS	<u>3,821,931</u>	<u>3,393,178</u>
EQUITY		
Settlement sum	50	50
Reserves	3,745,533	3,360,288
Accumulated surpluses	<u>76,348</u>	<u>32,840</u>
TOTAL EQUITY	<u>3,821,931</u>	<u>3,393,178</u>

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

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Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Settlement Sum	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2017	50	32,840	3,360,288	3,393,178
Surplus/(deficit) for the year	-	43,508	-	43,508
Net fair value movements in financial assets	-	-	385,245	385,245
Balance at 30 June 2018	50	76,348	3,745,533	3,821,931

2017

	Settlement Sum	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2016	50	87,766	3,083,800	3,171,616
Surplus/(deficit) for the year	-	(54,926)	-	(54,926)
Net fair value movements in financial assets	-	-	276,488	276,488
Balance at 30 June 2017	50	32,840	3,360,288	3,393,178

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

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Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Dividends received	740,193	419,700
Franking credits received	-	454,791
GST refund received	-	10,400
Interest received	-	1,233
Payments to project partners and suppliers	(696,685)	(853,524)
Net cash provided by (used in) operating activities	8 <u>43,508</u>	<u>32,600</u>
Net increase (decrease) in cash and cash equivalents held	43,508	32,600
Cash and cash equivalents at beginning of year	32,787	187
Cash and cash equivalents at end of financial year	4 <u><u>76,295</u></u>	<u><u>32,787</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

Thankyou Charitable Trust is a charitable trust established under a deed of trust. The trustee is Thankyou Holdings Pty Ltd (ACN: 162 044 751). The trust is registered as a charity with the Australian Charities and Not-for-profits Commission, and is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The trustee has prepared the financial report on the basis that the trust is a non-reporting entity because there are no users who are dependent on a general purpose financial report. This financial report is therefore a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Franking credits

Franking credits are recognised when the entity's right to receive a refund of franking credits on franked dividends is established.

(c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. The trust is registered as a charity with the Australian Charities and Not-for-profits Commission.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Financial instruments

Investment in subsidiaries

Investments in subsidiaries are reflected at fair value, which is deemed to be the net assets of each subsidiary at balance date. Unrealised gains and losses arising from changes in fair value are shown as other comprehensive income reflected in the financial assets reserve.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2 Change in Accounting Policy

The trust changed its accounting policy for financial assets with respect to investments in subsidiaries. During the year ended 30 June 2017, the trust only recognised its interest in Australian subsidiaries. The directors have subsequently elected to recognise its international subsidiary, Thankyou New Zealand Limited, and accordingly have recognised the value of this entity as an investment in subsidiary.

This change in accounting policy has been applied retrospectively and comparative figures have been restated accordingly. There is no impact on the comparative figures for any prior year other than the year ended 30 June 2017. The aggregate effect of the change in accounting policy on the annual financial statements is as follows:

	Previously stated	30 June 2017 Adjustments	Restated	Previously stated	1 July 2016 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income						
Other comprehensive income	337,894	(61,406)	276,488			
Statement of Financial Position						
Financial assets	3,421,797	(61,406)	3,360,391	3,083,903	-	3,083,903

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Donations to project partners

	2018	2017
	\$	\$
Care Australia	125,000	125,000
One Heart World-Wide	-	200,000
Oxfam Australia	187,021	174,511
Splash International	49,988	88,198
UNICEF Australia	50,000	100,000
World Vision	284,250	165,750
	<u>696,259</u>	<u>853,459</u>

4 Cash and cash equivalents

Cash on hand	47	47
Cash at bank	76,248	32,740
	<u>76,295</u>	<u>32,787</u>

5 Financial assets

NON-CURRENT		
Investment in subsidiaries	3,745,636	3,360,391
	<u>3,745,636</u>	<u>3,360,391</u>

Investment in subsidiaries comprises unlisted shares, recorded at fair value. A list of subsidiaries is contained in Note 10 to the financial statements.

6 Financial Risk Management

The main risks Thankyou Charitable Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. The trust's financial instruments consist mainly of deposits with banks, investments in subsidiaries and loans from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	76,295	32,787
Available-for-sale financial assets:		
At fair value		
- Unlisted investments	3,745,636	3,360,391
Total available-for-sale financial assets	<u>3,745,636</u>	<u>3,360,391</u>
Total financial assets	<u>3,821,931</u>	<u>3,393,178</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Fair Value Measurement

The trust has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The trust does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring Fair Value Measurements

	2018	2017
	\$	\$
Financial assets		
- unlisted investments (i)	3,745,636	3,360,391
Total	3,745,636	3,360,391

(i) For unlisted investments that are investments in subsidiaries, fair values have been determined based on the net assets of these companies at the end of the reporting period.

8 Cash Flow Information

Reconciliation of net surplus to net cash provided by operating activities:

Surplus/(deficit) for the year	43,508	(54,926)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-	465,191
- increase/(decrease) in trade and other payables	-	(377,665)
Cashflow from operations	43,508	32,600

9 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2018	2017
Subsidiaries:			
Thankyou Group Pty Ltd	Australia	100	100
Thankyou Future Fund Pty Ltd	Australia	100	100
Thankyou Publishing Pty Ltd	Australia	100	100
Thankyou New Zealand Limited	New Zealand	100	100
Wonderful Mama Pty Ltd	Australia	100	100
Wonderful Mama Trading Unit Trust	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries (includes indirect ownership interests).

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Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Events Occurring After the Reporting Date

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

11 Trust Details

The registered office of the trustee company and principal place of business of the trust is:

Thankyou Charitable Trust
Level 4, 108-112 Langridge Street
Collingwood VIC 3066

Thankyou Charitable Trust

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Directors' Declaration

In accordance with a resolution of the directors of the trustee company, the directors have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the directors of the trustee company:

- (a) there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of *Australian Charities and Not-for-profits Commission Act 2012*.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director 

Director 

Date: 25 March 2019

Thankyou Charitable Trust

ABN: 87 337 503 580

Independent Audit Report to the members of Thankyou Charitable Trust

Opinion

We have audited the financial report of Thankyou Charitable Trust (the trust), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the trust is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the trust's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - 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 is 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. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the trustee 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 requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the trustee. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Independent Audit Report to the members of Thankyou Charitable Trust

In preparing the financial report, the directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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Independent Audit Report to the members of Thankyou Charitable Trust

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Seward Dawson



Peter Shields
Partner

Blackburn

Date: 25 March 2019