

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Financial Statements

For the Year Ended 30 June 2022

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Contents

For the Year Ended 30 June 2022

	Page
Financial Statements	
Directors' Report	1
Independent Audit Report	6
Directors' Declaration	8
Declaration by a Responsible Member of Governing Body	9
Statement of Profit or Loss and Other Comprehensive Income	10
Detailed Profit and Loss Statement	12
Statement of Financial Position	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Directors' Report

30 June 2022

Your directors present their report on Hamlin Fistula Australia Limited for the financial year ended 30 June 2022.

This is the Company's 25th Annual Report. This report also covers the activities of the Hamlin Fistula Relief and Aid Fund which is the tax deductible fund administered by the Company.

The Directors express their thanks and appreciation to all the supporters of the Hamlin Fistula Relief and Aid Fund during the year. Financial and non-financial donations were received from a large number of supporters. This very generous support enabled the Company to fulfil its mission of supporting the work of Hamlin Fistula Ethiopia throughout the year.

The Directors are pleased to report that during the past year donated funds have not been spent on administering the Company or the Fund so that every cent of every dollar donated to the Hamlin Fistula Relief and Aid Fund continues to be available to support the work of Hamlin Fistula Ethiopia. Investment income, including Interest earned on funds held in transit and dividends received from a managed share portfolio, continue to pay the whole administration costs of the fund and provide other funds for the activities of Hamlin Fistula Ethiopia.

1. General information

Information on the officers of the company

The names, qualifications, experience and special responsibilities of each person who has been a director and company secretary during the year and to the date of this report are:

Professor Edward James Anderson

Qualifications

BA, MA, PhD

Experience

Professor at the University of Sydney Business School since 2008 and previously professor at the University of New South Wales. Expert in risk management and supply chain management

Special responsibilities

Director

Dr David John Knox

Qualifications

MB, BS, MRCOG, FRANZCOG

Experience

Retired specialist obstetrician and gynaecologist with broad experience in the field and an interest in maternal health in developing countries.

Special responsibilities

Director

Mrs Joanne Christine Millar

Qualifications

BSc

Experience

Biologist. Experienced in speaking engagements presenting the work of HFA. Personal involvement in many charities with special interest in work in developing or poor countries.

Special responsibilities

Director

Mr Denis Clive Pontin

Qualifications

MEd, BPE, Dip Teach

Experience

Extensive commercial experience as a company director providing strategic planning, asset management and marketing advice to a wide range of clients.

Special responsibilities

Deputy chairman Hamlin Fistula Australia Limited
Member Hamlin Fistula Australia Limited Audit and Investment Sub-committee

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Directors' Report

30 June 2022

1. General information

Information on the officers of the company

Dr John Trevitt Scott

Qualifications

MSc, MEd, DipEd, AMusA, PhD, MACE

Experience

Extensive experience in education, having taught in NSW and in the UK, before being appointed as Principal of two Anglican schools in Sydney. Experience in governance including being currently a member of the Board of two Anglican schools. Member of the Association of Independent Schools Capital Grants Committee. Honorary Associate in the Faculty of Education and Social Work at the University of Sydney.

Special responsibilities

Director

Dr Gary Stephen Sykes

Qualifications

MB, BS, FRANZCOG, FRCOG

Experience

Qualified practicing specialist gynaecologist and obstetrician with extensive medical experience in issues specifically relating to women's reproductive health.

Special responsibilities

Director

Dr Robert Tong AM

Qualifications

LLB, LLM, SJD

Experience

Practicing solicitor with wide commercial, legal and governance experience. Director of several not for profit organisations and a member of a number of advisory committees of the Anglican Church Diocese of Sydney, the Australian General Synod and the International Anglican Communion.

Special responsibilities

Chairman Hamlin Fistula Australia Limited
Member of Hamlin Fistula Australia Limited Audit and Investment Subcommittee

Mr Douglas Stewart Marr

Qualifications

BBus, CA

Experience

Chartered Accountant with experience in public practice and commercial organisations. Extensive experience as secretary, administrative officer and board member of several Australian not for profit bodies and registered charities.

Special responsibilities

Company Secretary and Executive Officer

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Directors' Report

30 June 2022

1. General information

Information on the officers of the company

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

Principal activities

The principal activity of Hamlin Fistula Australia Limited during the financial year was the provision of financial and other support for the work of Hamlin Fistula Ethiopia.

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

Short term objectives

The company's short term objective is to support Hamlin Fistula Ethiopia in the treatment, prevention and raising awareness of obstetric fistulas by providing available funding as needed in conjunction with the global fundraising strategies of Hamlin Fistula Ethiopia.

Long term objectives

The Company's long term objectives are to:

a) Assist Hamlin Fistula Ethiopia reduce and eventually eliminate obstetric fistulas among women in Ethiopia and other developing countries by:

- (i) Treating women who suffer from obstetric fistulas;
- (ii) Teaching doctors the skills to perform fistula surgery;
- (iii) Preventing obstetric fistulas through the training and deployment of midwives in rural areas;

b) Provide available capital needed by Hamlin Fistula Ethiopia for construction of medical and training facilities; and

c) Contribute to the long term financial viability of Hamlin Fistula Ethiopia

Strategies for achieving the objectives

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

- Promotion of the fund as appropriate in the circumstances;
- Careful investment of all funds received pending transfer to Hamlin Fistula Ethiopia;
- Manage administrative costs so that they are covered by investment income, including Interest earned on funds held in transit and dividends received from a managed share portfolio whenever possible; and
- Monitor the use of the funds sent by Hamlin Fistula Australia to Hamlin Fistula Ethiopia to measure compliance with the company's objectives.

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Directors' Report

30 June 2022

1. General information

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Payments to or on behalf of Hamlin Fistula Ethiopia; and
- Keeping supporters informed about the work of Hamlin Fistula Ethiopia by distributing newsletters.

Performance measures

The following measures are used within the Company to monitor performance:

- Payments totalling \$431,525 were made to or on behalf of Hamlin Fistula Ethiopia;
- All administrative costs were fully funded by investment income, including Interest earned on funds held in transit and dividends received from a managed share portfolio.

Members guarantee

Hamlin Fistula 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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100, subject to the provisions of the company's constitution.

At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$11,700 (2021: \$12,800).

Other items

Events after the reporting date

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 Company, the results of those operations or the state of affairs of the Company in future financial years.

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Directors' Report

30 June 2022

Meetings of directors

During the financial year, 2 meetings of directors were held. The Audit and Investment Committee did not hold a meeting during the financial year. Attendances at meetings during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Professor Edward James Anderson	2	2
Dr David John Knox	2	2
Mrs Joanne Christine Millar	2	2
Mr Denis Clive Pontin *	2	2
Dr John Trevitt Scott *	2	2
Dr Gary Stephen Sykes	2	1
Dr Robert Tong AM *	2	2
Mr Douglas Stewart Marr *	-	-
*Members of the audit and investment sub-committee		

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

Director:

Dr Robert Tong AM

Director:

Mr Denis Clive Pontin

Dated: 15th December 2022.

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Independent Audit Report to the members of Hamlin Fistula Australia Limited

We have audited the financial report of Hamlin Fistula Australia Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and 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, 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 Hamlin Fistula Australia Limited has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act") and the Charitable Fundraising Act 1991, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2022 of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and Div 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 .

Basis of 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 registered entity in accordance with the ACNC Act, 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.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity 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 ACNC Act and the Charitable Fundraising Act and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as directors determine is necessary to enable the preparation of financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity'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 registered entity 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 the 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 this financial report.

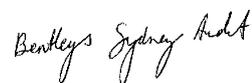
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 registered entity'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 registered entity'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 registered entity 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.

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.



Michael Payne
Director
Sydney



BENTLEYS SYDNEY AUDIT PTY LTD
Chartered Accountants

Dated: 16 December 2022

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

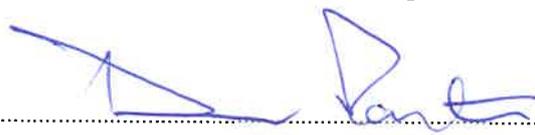
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 10 to 31, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and the Charitable Fundraising Act 1991 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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: 
Dr Robert Tong AM

Director: 
Mr Denis Clive Pontin

Dated: 15 December 2022

Hamlin Fistula Australia Limited

ABN: 58 076 840 260

Charitable Fundraising Act 1991

Declaration by a Responsible Member of Governing Body

On behalf of the board of directors of the Hamlin Fistula Australia Limited, I Robert Tong, Chairman and Director of Hamlin Fistula Australia Limited, hereby declare that I am of the opinion that the provisions of the Charitable Fundraising Act 1991, the regulations under the Act and authority conditions have been complied with the internal controls exercised complied with efficiently and effectively. I am further opinion that:

- (a) The detailed profit and loss account gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals; and
- (b) The statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appears; and
- (c) The provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the organisation: and
- (d) The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation for any of its fundraising appeals.



Director:

Dr Robert Tong AM

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022**

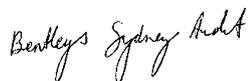
		2022	2021
	Note	\$	\$
Merchandise	2	107	157
Interest	2	1,391	15,537
Donations	2	378,919	173,299
Legacies	2	224,368	74,975
Royalty income	2	-	6
Dividends received	2	634,766	358,989
Government subsidies & grants	2	-	62,200
Profit/(Loss) on sale of investment	2	81,804	9
Cost of sales	3(a)	(163)	(61)
Employee benefits expense	3(a)	(79,145)	(77,312)
Depreciation	3(a)	(1,321)	(951)
Disbursements to/on behalf of Hamlin Fistula Ethiopia	3(b)	(431,525)	(1,698,077)
Disbursements to Barbara May Foundation	3(c)	-	(42,209)
Other expenses	3(a)	(138,262)	(63,377)
Surplus/(deficit) before income tax		670,939	(1,196,815)
Income tax expense		-	-
Surplus/(deficit) for the year		670,939	(1,196,815)
Changes in fair value of financial instruments at fair value through other comprehensive income		(1,381,263)	1,519,862
Other comprehensive income/(deficit) for the year		(1,381,263)	1,519,862
Total comprehensive income/(deficit) for the year		(710,324)	323,047

The accompanying notes form part of these financial statements.

Disclaimer

To the members of Hamlin Fistula Australia Limited

The additional financial data presented on pages 12 and 13 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2022. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the company nor any member or employee of the company undertakes responsibility in any way whatsoever to any person (other than Hamlin Fistula Australia Limited) in respect of such data, including any errors or omissions therein however caused.



Bentleys Sydney Audit Pty Ltd



Michael Payne
Director
Sydney

Dated: 16 December 2022

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

For the Year Ended 30 June 2022

Detailed Profit and Loss Account

	Note	2022 \$	2021 \$
INCOME			
Mechandise		107	157
Interest		1,391	15,537
Royalty income		-	6
Dividends received		634,766	358,989
Government subsidies & grants		-	62,200
Profit on sale of investments		81,804	9
TOTAL INCOME		718,068	436,898
less: Cost of sales		(163)	(61)
GROSS PROFIT		717,905	436,837
Less: Expenses			
Audit fees	4	8,171	8,615
Bank charges		1,161	1,198
Brokerage and investment management fees		46,484	29,266
Depreciation	9	1,321	951
Leave provisions		9,105	1,226
Insurance		8,699	7,466
Internet and website		1,756	1,806
Newsletters - promotion		17,439	3,311
Legal fees		8,330	-
Office equipment and maintenance		6,845	6,366
Office utilities		1,574	2,320
Office supplies and meeting expenses		95	375
Postage		1,008	1,063
Printing and Stationary		294	170
Employee benefits expense		70,040	76,086
Staff expenses		-	218
Telephone		208	621
Travelling expenses		36,039	423
Workers compensation		159	159
		218,728	141,640
ADMINISTRATIVE OPERATING SURPLUS		499,177	295,197

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

For the Year Ended 30 June 2022

Detailed Profit and Loss Account

Note	2022 \$	2021 \$
ADMINISTRATIVE OPERATING SURPLUS BROUGHT FORWARD	499,177	295,197
Other operating income/expenses:		
Donations (General)	1,626	1,347
Relief and aid fund General	377,293	171,952
TOTAL DONATIONS FROM APPEALS	378,919	173,299
Legacies	224,368	74,975
TOTAL DONATIONS	603,287	248,274
DISBURSEMENTS TO/ON BEHALF OF HAMLIN FISTULA ETHIOPIA		
Fistula Hospital	431,515	1,307,146
Mekelle Centre	-	390,841
Other expenses	10	90
TOTAL DISBURSEMENTS TO/ON BEHALF OF HAMLIN FISTULA ETHIOPIA	431,525	1,698,077
DISBURSEMENTS TO/ON BEHALF OF BARBARA MAY FOUNDATION		
General expenses	-	42,209
TOTAL DISBURSEMENTS TO/ON BEHALF OF BARBARA MAY FOUNDATION	-	42,209
NET SURPLUS/(DEFICIT) AFTER DISBURSEMENTS	670,939	(1,196,815)
Fundraising Income	603,287	248,274
Total Admin/Fundraising Expense	(218,728)	(141,640)
	384,559	106,634
% of fundraising expenses to fundraising income (no donations from fundraising appeals or legacies were spent on administration or fundraising expenses)	36%	57%
% of net surplus from fundraising to gross income from fundraising	64%	43%
% of total cost of services to total expenditure	100%	100%
% total cost of services to total income from fundraising received	36%	57%

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,140,522	1,840,006
Trade and other receivables	6	182,620	104,684
Inventories	7	782	945
TOTAL CURRENT ASSETS		<u>1,323,924</u>	<u>1,945,635</u>
NON-CURRENT ASSETS			
Financial assets	8	8,186,961	8,263,231
Property, plant and equipment	9	3,175	4,497
TOTAL NON-CURRENT ASSETS		<u>8,190,136</u>	<u>8,267,728</u>
TOTAL ASSETS		<u>9,514,060</u>	<u>10,213,363</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	4,264	2,349
Provisions	11	21,770	12,664
TOTAL CURRENT LIABILITIES		<u>26,034</u>	<u>15,013</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>26,034</u>	<u>15,013</u>
NET ASSETS		<u>9,488,026</u>	<u>10,198,350</u>
EQUITY			
Accumulated Surplus		8,963,953	8,293,014
Financial Asset Reserve		524,073	1,905,336
TOTAL EQUITY		<u>9,488,026</u>	<u>10,198,350</u>

The accompanying notes form part of these financial statements.

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Accumulated Surplus	FVOCI reserve	Total
	\$	\$	\$
Balance at 1 July 2021	8,293,014	1,905,336	10,198,350
Profit attributable to members of the parent entity	670,939	-	670,939
Total other comprehensive income for the period	-	(1,381,263)	(1,381,263)
Balance at 30 June 2022	8,963,953	524,073	9,488,026

2021

	Accumulated Surplus	FVOCI reserve	Total
	\$	\$	\$
Balance at 1 July 2020	9,489,829	385,474	9,875,303
Profit attributable to members of the parent entity	(1,196,815)	-	(1,196,815)
Total other comprehensive income for the period	-	1,519,862	1,519,862
Balance at 30 June 2021	8,293,014	1,905,336	10,198,350

The accompanying notes form part of these financial statements.

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	107	595
Receipts from donations	378,919	173,299
Receipts from government grants & subsidies	-	62,200
Payments to/on behalf of Hamlin Fistula Ethiopia	(431,525)	(1,698,077)
Payments to/on behalf of Barbara May Foundation	-	(42,209)
Payments to suppliers & employees	(226,620)	(127,944)
Receipts from legacies	224,368	74,975
Interest received	1,391	15,537
Royalties received	-	6
Net dividends received	514,373	261,207
Net cash provided by (used in) operating activities	17 <u>461,013</u>	<u>(1,280,411)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchase of plant and equipment	-	(5,448)
Proceeds from sale of investment	662,537	96,607
Purchase of financial assets	(1,823,034)	(1,221,353)
Net cash used by investing activities	<u>(1,160,497)</u>	<u>(1,130,194)</u>
Net decrease in cash and cash equivalents held	(699,484)	(2,410,605)
Cash and cash equivalents at beginning of year	1,840,006	4,250,611
Cash and cash equivalents at end of financial year	5 <u>1,140,522</u>	<u>1,840,006</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial statements are for Hamlin Fistula Australia Limited as an individual entity, incorporated and domiciled in Australia. Hamlin Fistula Australia Limited is a Company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commissions Act 2012 and the Charitable Fundraising Act 1991. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Donation revenue

Donations and bequests are recognised as revenue when received.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue

Merchandise is recognised on receipt net of the amount of goods and service tax (GST).

All revenue is stated net of the amount of goods and services tax (GST).

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20%-30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(d) Inventories on Hand

Inventories are measured at the lower of cost and net realisable value.

Costs of purchased inventory are determined after deducting rebates and discounts.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(e) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Company has a number of investments in listed entities over which it does not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables only.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(g) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) 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*.

(k) Comparative figures

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(I) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

2 Revenue and Other Income

	2022	2021
	\$	\$
Sales revenue		
Merchandise	107	157
Interest income	1,391	15,537
Dividends received	634,766	358,989
	636,264	374,683
Other revenue		
Donations	378,919	173,299
Legacies	224,368	74,975
Royalty income	-	6
Government subsidies & grants	-	62,200
Profit on sale of investments	81,804	9
	685,091	310,489
Total Revenue	1,321,355	685,172

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Surplus / (Deficit) for the year

(a) Expenses

	2022	2021
	\$	\$
Cost of sales	163	61
Employee benefits expense	79,145	77,312
Depreciation and amortisation expenses	1,321	951
	<u>80,629</u>	<u>78,324</u>
Other expenses:		
Accounting and audit fees	8,171	8,614
Bank charges	1,161	1,198
Insurance	8,699	7,466
Newsletters - promotion	17,438	3,311
Office expenses	94	70
Postage	1,008	1,063
Telephone	208	621
Travelling expenses	36,039	423
Sundry expenses	65,444	40,611
Total other expenses	<u>138,262</u>	<u>63,377</u>

(b) Disbursements to/on behalf of Hamlin Fistula Ethiopia

Fistula Hospital	431,515	1,307,146
Mekelle Centre	-	390,841
Other Expenses	10	90
Total disbursements to/on behalf of Hamlin Fistula Ethiopia	<u>431,525</u>	<u>1,698,077</u>

(c) Disbursements to/on behalf of Barbara May Foundation

Donations to Barbara May Foundation	-	42,209
Total	<u>-</u>	<u>42,209</u>

(d) Hamlin Fistula International Foundation

Hamlin Fistula International Foundation was established in Switzerland in 2005 to provide long term financial support exclusively for the work and associated activities of the Addis Ababa Fistula Hospital. The Foundation aims to invite donations and to establish investment portfolios to earn income for the work of Hamlin Fistula Ethiopia. From 2005 to 30 June 2022, the company has received specific donations for the Foundation of \$2,245,912 (2021:\$2,245,912). Over the same period the company has paid the Foundation the sum of \$8,262,346 (2021: \$8,262,346).

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the company, Bentleys Sydney Audit Pty Ltd Auditing and reviewing the financial statements	<u>8,171</u>	<u>8,615</u>
	<u><u>8,171</u></u>	<u><u>8,615</u></u>

5 Cash and Cash Equivalents

Cash at bank	<u>1,140,522</u>	<u>1,840,006</u>
	<u><u>1,140,522</u></u>	<u><u>1,840,006</u></u>

6 Trade and Other Receivables

CURRENT		
Trade and other receivables	<u>182,620</u>	<u>104,684</u>
	<u><u>182,620</u></u>	<u><u>104,684</u></u>

7 Inventories

CURRENT		
Finished goods at cost	<u>782</u>	<u>945</u>
	<u><u>782</u></u>	<u><u>945</u></u>

8 Other Financial Assets

NON-CURRENT

Financial assets designated as at fair value through other comprehensive income		
Listed shares	<u>8,186,961</u>	<u>8,263,231</u>
	<u><u>8,186,961</u></u>	<u><u>8,263,231</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Property, Plant and Equipment

	2022	2021
	\$	\$
Office equipment		
Property, plant and equipment	14,258	14,258
Accumulated depreciation	(11,083)	(9,761)
	<u>3,175</u>	<u>4,497</u>

(a) Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	2022	2021
	\$	\$
Balance at the beginning of year	4,496	-
Additions	-	5,448
Depreciation expense	(1,321)	(951)
Balance at end of year	<u>3,175</u>	<u>4,497</u>

10 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade payables

	4,264	2,349
	<u>4,264</u>	<u>2,349</u>

11 Provisions

CURRENT

Long service leave

Annual leave provision

	11,887	5,861
	9,883	6,803
	<u>21,770</u>	<u>12,664</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Financial Risk Management

The main risks Hamlin Fistula Australia Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk. The company's financial instruments consist mainly of deposits with banks, local money market instruments, listed shares, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2022	2021
	\$	\$
Financial Assets		
Cash	1,140,522	1,840,006
Trade and other receivables	182,619	104,684
Financial assets at fair value through other comprehensive income		
Listed shares	8,186,961	8,263,231
Total financial assets	<u>9,510,102</u>	<u>10,207,921</u>
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	4,263	2,349
Total financial liabilities	<u>4,263</u>	<u>2,349</u>

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment of Hamlin Fistula Australia Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, market risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Hamlin Fistula Australia Limited's activities.

The day-to-day risk management is carried out by Hamlin Fistula Australia Limited's finance function under policies and objectives which have been approved by the Board of Directors. The Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements. Management of a portfolio of listed shares has been outsourced to Bell Potter.

The Board meets quarterly and reviews the effectiveness of the processes and policies in place.

Hamlin Fistula Australia Limited does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Financial Risk Management

Financial Risk Management Policies

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Hamlin Fistula Australia Limited and arises principally from Hamlin Fistula Australia Limited's receivables.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by a policy requiring that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

(b) Liquidity risk

Liquidity risk arises from the possibility that Hamlin Fistula Australia Limited might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, Hamlin Fistula Australia Limited ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Group are discussed in note 5.

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Financial Risk Management

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being at fair value through profit and loss.

Net Fair Value

Fair value estimation

The fair value of financial assets and financial liabilities approximate their carrying value.

Financial assets where the carrying value exceeds net fair value are written down.

13 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Fair Value Measurement

Fair value hierarchy

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2022				
Recurring fair value measurements				
Financial assets				
Listed Shares	8,186,961	-	-	8,186,961
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2021				
Financial assets				
Listed Shares	8,263,231	-	-	8,263,231

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Memorandum and Articles of Association states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstandings and obligations of the Company. At 30 June 2022 the number of members was 117 (2021: 128).

15 Interests of Key Management Personnel

Key management personnel compensation for the year are as follows:

	2022	2021
	\$	\$
Salary and wages	10,696	15,942
Short-term benefits	17,700	9,900
Superannuation	2,840	2,232
	31,236	28,074

For details of other transactions with key management personnel, refer to Note 16: Related Party Transactions.

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 Related Party Transactions

(a) Hamlin Fistula Australia Limited and Catherine Hamlin Fistula Foundation

Hamlin Fistula Australia Limited was established in 1996 for the purposes set out in Clause 2 of the Memorandum of Association of the company. Although there is no formal relationship between Hamlin Fistula Australia Limited (HFA) and Hamlin Fistula Ethiopia (Australia) Limited trading as Catherine Hamlin Fistula Foundation (CHFF) the two bodies have worked together to support the work of Dr Catherine Hamlin and the Addis Ababa Fistula Hospital. Disbursements made by HFA to or for the benefit of Hamlin Fistula Ethiopia, including payments to Hamlin Fistula International Foundation, for the period from 1 July 2001 to 30 June 2022 total \$33,462,470 (2021: \$33,030,945).

(b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

(c) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

17 Cash Flow Information

Reconciliation of results for the year to cashflows from operating activities

	2022	2021
	\$	\$
Surplus/(deficit) for the year	670,939	(1,196,815)
Non-cash flows in surplus / (deficit):		
Depreciation	1,321	951
- distributions received via reinvestment	(63,237)	-
- Profit on disposal of financial asset	(81,804)	(9)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- increase in trade and other receivables	(77,390)	(84,697)
- decrease in inventories	163	62
- increase/(decrease) in trade and other payables	1,915	(1,129)
- increase in provisions	9,106	1,226
Cashflows from operations	<u>461,013</u>	<u>(1,280,411)</u>

Hamlin Fistula Australia Limited

ABN: 58 076 840 250

Notes to the Financial Statements

For the Year Ended 30 June 2022

18 Company Details

The principal place of business of the company is:

Hamlin Fistula Australia Limited

Unit 7 / 12 Cecil Road

HORNSBY NSW 2077

The postal address of the company is:

PO Box 965

WAHROONGA NSW 2076

The registered office of the company is:

Level 14, 60 Margaret Street

SYDNEY NSW 2000