



**Himalayan  
Development  
Foundation**  
AUSTRALIA

## 2016 Financial Report – Accompanying Notes

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### Background

Partner organisation World Relief Australia (“WRA”) operates a DGR status overseas aid fund, into which most of the donations are received. WRA operates virtual project accounts and makes disbursements to In-Country Delivery organisations (ICDO) which are Nepalese Non-Government Organisations (NGO’s) according to the laws of Nepal. WRA currently charges a 10% fee on most donations, although we have negotiated 5% fee on single large donations over \$50K.

HDFA Inc operates it’s own ANZ Cheque Account which is audited annually as per HDFA Rules (a.k.a. Constitution). HDFA has tax free status and GST exemption and is registered with the ACNC as a not for profit Incorporated Association. Fundraising activities are conducted via this HDFA ANZ Account and profits retained by HDFA and used for marketing and administration to attract further donations to the WRA DGR status Overseas Aid Fund. Thus the HDFA audited accounts does not currently reflect the full nature of the organisations operations – hence the accompanying notes. HDFA also pays directly to Nepal funding for our In-Country Director, monitoring and evaluation site inspection trips by HDFA staff/board members as part of the requirements by WRA. HDFA on occasions directly funds projects, where funds are available. HDFA also receives grants from the WRA Account and other organisations to enable it to operate. WRA imposes limits on the maximum grants payable to HDFA as a percentage of overall project funds donated (<20% fundraising, <15% Project admin) although our % have been considerably lower to date.

## HDFA Inc Bank Account(s)

|                                  |   |
|----------------------------------|---|
| <b>ANZ Cheque Account Number</b> | 193836786                               |
| BSB                              | 015-140                                 |
| Attached Credit cards            | None – use personal cards and reimburse |
| Authorisation Protocol           | Two to Sign via EFT or Cheque           |
| <b>Signatories</b>               | <b>Role</b>                             |
| Duncan Chessell                  | Chair                                   |
| Tim McCormack                    | Treasurer                               |
| Andrew Stace                     | Secretary                               |
| Brian Gilbert                    | Board member (former Treasurer)         |

**Current Balance 29-11-2016: \$10,425.52**

## HDFA Annual P&L

See audited accounts to June 30<sup>th</sup> – 2016 for previous financial year, from Oreon Partners.

### **Himalayan Development Foundation Australia Incorporated**

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**For the year ended 30 June 2016**

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| <b>Account</b>                  | <b>2016</b>      | <b>Notes</b>                               |
|---------------------------------|------------------|--|
| <b>Trading Income</b>           |                  |  |
| Donation Income                 | 12,715.64        | Includes \$5,000 to pass to WRA(Robertson) |
| Fundraising Income              | 20,697.72        |  |
| Membership Revenue              | 150.00           |  |
| <b>Total Trading Income</b>     | <b>33,563.36</b> |  |
| <b>Gross Profit</b>             | <b>33,563.36</b> |  |
| <b>Other Income</b>             |                  |  |
| Grants                          | 10,000.00        | Reports to Nepal Project Delivery          |
| Public Fund Distributions       | 25,000.00        | Reports to Nepal Project Delivery          |
| <b>Total Other Income</b>       | <b>35,000.00</b> |  |
| <b>Operating Expenses</b>       |                  |  |
| Administration Fees             | 15,512.00        | split 50-50 Project/Fundraising            |
| Advertising & Marketing         | 2,446.82         | Fundraising P&L                            |
| Bank Fees                       | 0.34             | Fundraising P&L                            |
| Consultancy                     | 16,140.60        | Nepal Project Delivery                     |
| Domain Name Renewal             | 249.19           | Fundraising P&L                            |
| Donations                       | 5,000.00         | Fundraising P&L                            |
| Entertainment                   | 360.50           | Fundraising P&L                            |
| Fundraising Expenses            | 14,195.44        | Fundraising P&L                            |
| Insurance - Business            | 1,519.39         | Fundraising P&L                            |
| Program Expenses                | 8,652.46         | Nepal Project Delivery                     |
| Subscriptions                   | 330.00           | Fundraising P&L                            |
| Travel - International          | 3,276.80         | Nepal Project Delivery                     |
| Travel - National               | 1,249.90         | Fundraising P&L                            |
| <b>Total Operating Expenses</b> | <b>68,933.44</b> |  |
| <b>Net Profit</b>               | <b>(370.08)</b>  |  |

| <b>Fundraising P&amp;L</b>     |               | Notes   |
|--------------------------------|---------------|---|
| <b>Income</b>                  |               |   |
| Membership                     | 150.00        |   |
| Fundraising & Donation Income  | 33,413.36     | proceeds dinner, movie nights, calls to action, online donations *includes \$5K donation to pass to WRA (Robertson) |
| <b>Outgoings</b>               |               |   |
| Administration fees <b>50%</b> | (7,756.00)    | Mostly Judith Weits - admin support   |
| Donations to WRA               | (5,000.00)    | Pass through of Donation (Robertson) to WRA   |
| Entertainment                  | (360.50)      | Annual Board dinner   |
| Marketing/Advertising          | (2,446.82)    | Online marketing  |
| Bank Fees                      | (0.34)        |   |
| Domain Renewal                 | (249.19)      | website   |
| Fundraising (Event) expenses   | (14,195.44)   | Event costs   |
| Insurance - Business           | (1,519.39)    | Aon D&O, General Insurance  |
| Subscriptions (online shop)    | (330.00)      | Karma Currency Shop   |
| Travel Domestic (events)       | (1,249.90)    | Travel to events national   |
| <b>Net Profit</b>              | <b>455.78</b> |   |

| <b>Project Delivery</b>               |                 | Notes                                   |
|---------------------------------------|-----------------|---|
| <b>Income</b>                         |                 |   |
| Grants                                | 10,000.00       | Australian Communities Foundation - D1  |
| Public Fund Distributions             | 25,000.00       | From WRA Public Fund                    |
| <b>Outgoings</b>                      |                 |   |
| Administration fees <b>50%</b>        | (7,756.00)      | Mostly Judith Weits - admin support     |
| Consultancy                           | (16,140.60)     | In-Country Director Nepal               |
| Program Expenses                      | (8,652.46)      | Donation to Hydro Committee - generator |
| International Travel                  | (3,276.80)      | M&E- monitor evaluation meetings Nepal  |
| <b>Total</b>                          | <b>(825.86)</b> |   |
| <b>Check Combined P&amp;L matches</b> | <b>(370.08)</b> | yes                                     |

### Admin Fees KPI – Goal to offset 100% Admin with Event Profits

The Aim has been to offset all of the administration and running cost of the organisation via fundraising events and activities. Noting that donations mostly go to the WRA DGR Account.

This KPI was achieved by attributing \$7,756 or 50% of Administration wages to the project delivery, with ALL other costs being covered by fundraising events. Given we have hit the target by moving the goal posts, we need to work on more profitable fundraising activities. However it is reasonable to attribute some of the Australian administration costs to Project delivery in this case – as some of Judith’s work is project related (Administration) and some related to fundraising events and marketing.

## HDFA Balance Sheet

We maintain approximately \$20,000 buffer to allow for working capital, fundraising events upfront fees etc.

In late 2016 and early 2017 as we spend additional funds on developing our DGR application to DFAT, this buffer is expected to be eroded somewhat and additional events may need to be operated to help offset these costs. We will also begin marketing to funds once the DGR is in place and a lag time is expected between marketing activities and receipt of donations. The \$20,000 working capital may need to be topped up in this process, and further budgeting is required as timing and execution of marketing strategies develop and DGR application is finalised.

| <b>Balance Sheet</b>                                      |                    |
|---|--------------------|
| <b>Himalayan Development Foundation Australia<br/>Inc</b> |                    |
| <b>As at 30 June 2016</b>                                 |                    |
| <b>30 Jun 2016</b>  |                    |
| <b>Assets</b>   |                    |
| <b>Bank</b>   |                    |
| ANZ Business Advantage                                    | \$19,800.04        |
| <b>Total Bank</b>   | <b>\$19,800.04</b> |
| <hr/>   |                    |
| <b>Total Assets</b>                                       | <b>\$19,800.04</b> |
| <hr/>   |                    |
| <b>Net Assets</b>   | <b>\$19,800.04</b> |
| <hr/>   |                    |
| <b>Equity</b>   |                    |
| Current Year Earnings                                     | -\$370.08          |
| Retained Earnings   | \$20,170.12        |
| <b>Total Equity</b>                                       | <b>\$19,800.04</b> |
| <hr/>   |                    |

## WRA Accounts – held for HDFA/WRA Projects Nepal

WRA operates Specific Accounts for each HDFA-WRA Project in a DGR (Deductible Gift Recipient) Public Overseas Aid Fund which gives the donor tax deductible status on donations.

### Current Balances 30<sup>th</sup> October 2016

| WRA Accounts                   | Status     | Current             | Held with NGO (Nepal) | Total               | Reallocation        |
|--------------------------------|------------|---------------------|-----------------------|---------------------|---------------------|
| 1428 Ghunsa                    | Ongoing    | \$21,458.02         | \$-                   | \$21,458.02         | \$21,458.02         |
| 1510 Earth Quake Response fund | Completed  | \$17,702.16         | \$-                   | \$17,702.16         | \$-                 |
| 1605 Seti Devi Rebuild         | Completed  | \$95,000.00         | \$5,182.00            | \$100,182.00        | \$-                 |
| 1630 Upper Indrawarti          | New Jan'17 | \$-                 |                       | \$-                 | \$117,884.16        |
| <b>Totals</b>                  |            | <b>\$134,160.18</b> | <b>\$5,182.00</b>     | <b>\$139,342.18</b> | <b>\$139,342.18</b> |

### Projected WRA Public Fund Balances EOFY June 2017 – with NO further donations.

Estimated as for 30<sup>th</sup> November 2016 \*\*assuming reallocation of funds as per above

| WRA Accounts             | Current Balance     | Current FY budget   | funds remitted     | Estimated Balance June'17 |
|--------------------------|---------------------|---------------------|--------------------|---------------------------|
| 1428 Ghunsa              | \$21,458.02         | \$32,400.00         | \$32,400.00        | \$21,458.02               |
| 1630 Upper Indrawarti ** | \$117,884.16        | \$115,822.00        | \$-                | \$2,062.16                |
| <b>Totals</b>            | <b>\$139,342.18</b> | <b>\$148,222.00</b> | <b>\$32,400.00</b> | <b>\$23,520.18</b>        |

### Ghunsa Project -1428

The Ghunsa Project officially completes its 3 year Project Plan May 2017. WRA/HDFA has remitted all the funds to fully fund the project until its completion. It is likely this project will be renewed with enough funds currently on hand to tackle some of the other initiatives identified in the preceding 2.5 years of the projects duration. Further proposals are expected in early 2017.

### Upper Indrawati -1630

This new project has been approved by WRA and the funding is a “step up” from our previous requirements with the Ghunsa Project. We hold enough funds for year 1 (\$115K) and whilst Yr2 and Yr3 are unfunded at this stage, we can if required scale it back but of course we do have likely DGR status within ~6months and a year to fund raise for the next years funds.

Year 1: \$115,882 WRA% paid already – fully funded

Year 2: \$141,350 (assuming no WRA 10% fee) – unfunded

Year 3: \$186,557 (assuming no WRA 10% fee) – unfunded