

Thankyou Charitable Trust

Trustee: Thankyou Holdings Pty Ltd

ABN: 87 337 503 580

Financial Report

For the Year Ended 30 June 2017

Thankyou Charitable Trust

ABN: 87 337 503 580

Contents

For the Year Ended 30 June 2017

	Page
Financial Statements	
Trustee Report	1
Auditors Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	15
Independent Audit Report	16

Thankyou Charitable Trust

ABN: 87 337 503 580

Trustee Report

For the Year Ended 30 June 2017

Thankyou Charitable Trust is the trust to which Thankyou Group Pty Ltd distributes profit generated through the sale of consumer goods in the Australian market. The purpose of the trust is to give to project partners in the pursuit of eradicating global poverty. The trustee aims to distribute 100% of the funds received by the trust to project partners (excluding transaction costs).

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 director's present their report on the financial year ended 30 June 2017.

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	3
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 community development projects aimed at addressing the issues of global poverty in the following sectors: WASH (Water, Sanitation and Hygiene), food aid and distribution, and food security and livelihoods programs. 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.

Thankyou Charitable Trust

ABN: 87 337 503 580

Trustee Report

For the Year Ended 30 June 2017

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 and 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 developing better measurement and reporting systems for project performance and evidence based outcomes; and
- To ensure the trust's subsidiaries have the right resources, human and financial, to build exceptional businesses.

Long term objectives

The trust's long term objectives are to:

- To be a major global voice and force toward the eradication of global poverty in our lifetime;
- Fund other development areas to close the loop on contributors to 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 projects that address the root cause of global poverty;
- Stringent and rigorous processes to evaluate potential projects and project partners;
- Regular assessment of projects being funded (through reports from the field and trips to the field);
- Development of strong relationships with project partners;
- Integration of technology and systems to assist in reporting and transparency; and
- Creating clear and open lines of communication between the directors of the subsidiaries and the directors of the trust's corporate trustee.

Thankyou Charitable Trust

ABN: 87 337 503 580

Trustee Report

For the Year Ended 30 June 2017

Operating results

During the financial year the trust distributed \$853,459 to project partners.

As dividends received from Thankyou Group Pty Ltd are the primary source of funding received by the trust, the level of funding available to give to impact is completely dependent on the operating performance of this company each year. The financial performance of both the Consumer Products business and Investment Fund for 2017 were below that of 2016, resulting in lower dividends being received in FY2017. This is common in early stage high-growth focused businesses.

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

Thankyou Charitable Trust has shifted from pre-committing funds to project partners at the beginning of a financial year to accruing funds that can be committed and given at the commencement of a project or subsequent to the end of a financial year.

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 13 December 2017

Thankyou Charitable Trust

ABN: 87 337 503 580

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 2017, 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 Chartered Accountants

Peter Shields

Peter Shields
Partner

Date 13 December 2017

Blackburn

Thankyou Charitable Trust

ABN: 87 337 503 580

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Revenue		
Dividend revenue	797,365	1,200,000
Franking credits	-	454,791
Interest income	1,233	1,048
Other revenue	-	56
	<u>798,598</u>	<u>1,655,895</u>
Expenses		
Donations to project partners	2 (853,459)	(1,669,589)
Other expenses	(65)	(120)
	<u>(853,524)</u>	<u>(1,669,709)</u>
Surplus/(deficit) for the year	<u>(54,926)</u>	<u>(13,814)</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	337,894	2,154,400
	<u>337,894</u>	<u>2,154,400</u>
Other comprehensive income for the year	<u>337,894</u>	<u>2,154,400</u>
Total comprehensive income for the year	<u>282,968</u>	<u>2,140,586</u>

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

ABN: 87 337 503 580

Statement of Financial Position

As at 30 June 2017

	2017	2016
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3 32,787	187
Trade and other receivables	4 -	465,191
TOTAL CURRENT ASSETS	<u>32,787</u>	<u>465,378</u>
NON-CURRENT ASSETS		
Financial assets	5 3,421,797	3,083,903
TOTAL NON-CURRENT ASSETS	<u>3,421,797</u>	<u>3,083,903</u>
TOTAL ASSETS	<u><u>3,454,584</u></u>	<u><u>3,549,281</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	6 -	377,665
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>377,665</u>
TOTAL LIABILITIES	<u>-</u>	<u>377,665</u>
NET ASSETS	<u><u>3,454,584</u></u>	<u><u>3,171,616</u></u>
EQUITY		
Settlement sum	50	50
Reserves	3,421,694	3,083,800
Accumulated surpluses	32,840	87,766
TOTAL EQUITY	<u><u>3,454,584</u></u>	<u><u>3,171,616</u></u>

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

ABN: 87 337 503 580

Statement of Changes in Equity

For the Year Ended 30 June 2017

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	-	-	337,894	337,894
Balance at 30 June 2017	50	32,840	3,421,694	3,454,584

2016

	Settlement sum	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2015	50	101,580	929,400	1,031,030
Surplus/(deficit) for the year	-	(13,814)	-	(13,814)
Net fair value movements in financial assets	-	-	2,154,400	2,154,400
Balance at 30 June 2016	50	87,766	3,083,800	3,171,616

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

ABN: 87 337 503 580

Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Dividends and advances received from subsidiaries	419,700	1,343,933
Franking credits received	454,791	278,250
GST refund received	10,400	56,967
Interest received	1,233	1,048
Payments to project partners and suppliers	(853,524)	(1,680,109)
Net cash provided by (used in) operating activities	9 <u>32,600</u>	<u>89</u>
Net increase (decrease) in cash and cash equivalents held	32,600	89
Cash and cash equivalents at beginning of year	187	98
Cash and cash equivalents at end of financial year	3 <u><u>32,787</u></u>	<u><u>187</u></u>

The accompanying notes form part of these financial statements.

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

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*. Subsidiaries controlled by the trust have not been consolidated into this financial report, and as such this financial report does not comply with *AASB 10 Consolidated Financial Statements*. With the exception of AASB 10, this financial report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB).

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

(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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

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.

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Donations to project partners

	2017	2016
	\$	\$
Australian Red Cross	-	104,000
Care Australia	125,000	250,000
Global Development Group	-	99,725
One Heart World-Wide	200,000	-
Oxfam Australia	174,511	351,214
Salvation Army	-	50,002
Splash International	88,198	-
UNICEF Australia	100,000	-
World Vision	165,750	814,648
	<u>853,459</u>	<u>1,669,589</u>

3 Cash and cash equivalents

Cash on hand	47	47
Cash at bank	32,740	140
	<u>32,787</u>	<u>187</u>

4 Trade and other receivables

CURRENT		
GST receivable	-	10,400
Franking credits receivable	-	454,791
	<u>-</u>	<u>465,191</u>

5 Financial assets

NON-CURRENT		
Investment in subsidiaries	3,421,797	3,083,903
	<u>3,421,797</u>	<u>3,083,903</u>

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

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Related party payables	-	377,665
	<u>-</u>	<u>377,665</u>

Related party payables relate to a loan with Thankyou Group Pty Ltd, a subsidiary of the trust. The trust is the sole shareholder of the company, and as such the company makes interest-free loans to Thankyou Charitable Trust to provide funding for the trust's charitable activities. Loan settlement takes place through the declaration of dividends by the company. A summary of these transactions is as follows:

Related party payables at beginning of the year	377,665	233,632
Amounts advanced	330,000	1,344,033
Dividends declared	<u>(707,665)</u>	<u>(1,200,000)</u>
Related party payables at end of the year	<u>-</u>	<u>377,665</u>

7 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	32,787	187
Available-for-sale financial assets:		
At fair value		
- Unlisted investments	<u>3,421,797</u>	3,083,903
Total available-for-sale financial assets	<u>3,421,797</u>	3,083,903
Total financial assets	<u>3,454,584</u>	<u>3,084,090</u>

Financial Liabilities

Financial liabilities at amortised cost		
- Trade and other payables	<u>-</u>	377,665
Total financial liabilities	<u>-</u>	<u>377,665</u>

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

8 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

	2017	2016
	\$	\$
Financial assets		
- unlisted investments (i)	3,421,797	3,083,903
Total	3,421,797	3,083,903

(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.

9 Cash Flow Information

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

Surplus/(deficit) for the year	(54,926)	(13,814)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	465,191	(130,030)
- increase/(decrease) in trade and other payables	(377,665)	143,933
Cashflow from operations	32,600	89

10 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2017	2016
Subsidiaries:			
Thankyou Group Pty Ltd	Australia	100	100
Thankyou Future Fund Pty Ltd	Australia	100	100
Thankyou Publishing Pty Ltd	Australia	100	-
Wonderful Mama Pty Ltd	Australia	100	-
Wonderful Mama Trading Unit Trust	Australia	100	-

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

Thankyou Charitable Trust

ABN: 87 337 503 580

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Events Occurring After the Reporting Date

Thankyou Charitable Trust has shifted from pre-committing funds to project partners at the beginning of a financial year to accruing funds that can be committed and given at the commencement of a project or subsequent to the end of a financial year.

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.

12 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

ABN: 87 337 503 580

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:

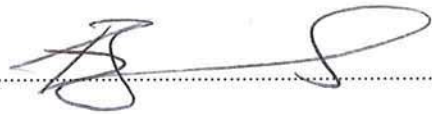
- (a) there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of *Australian Charities and Not-for-profits Commission Act 2012*.

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: 13 December 2017

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 2017, 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 2017 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.

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.

Thankyou Charitable Trust

ABN: 87 337 503 580

Independent Audit Report to the members of Thankyou Charitable Trust

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.

Thankyou Charitable Trust

ABN: 87 337 503 580

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: 13 December 2017