

INTERNATIONAL HELPFUND AUSTRALIA

ANNUAL REPORT 2006



...for a sustainable Pacific

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WHO WE ARE

In just two and a half years International Help Fund Australia has achieved a remarkable amount with our practical and creative approach to problem solving. IHFA has focused its attention on the waste management and water sanitation issues faced by our Pacific Island neighbors. We have participated in a number of effective programs on the Islands by forming partnerships for funding and pro bono support. IHFA believes in a non sectarian approach to aid work.

Our Vision

“a Sustainable Pacific Community living in dignity and in harmony with our environment, culture, economies and our neighbours”.

Mission Statement

“to collaborate with Pacific Islanders, governments, and businesses to improve the quality of life by developing practical environmental management initiatives as well as economic, cultural, health and education programs and projects that promote sustainable development and self reliance”

Why Support The Pacific Islands?

IHFA believes that Australia is perfectly positioned to extend our good will, expertise, experience and technology to our Pacific Islands neighbours to enable the islanders to have access to health, education, economic opportunities and a clean environment. It is important for Australia's security and economy to have a stable and prosperous Pacific Region. IHFA recognizes that good governance and economic stability is essential this goal.

How We Implement Our Programs.



Heavy scrap metal oxycut and lined up for placement in containers, Niue.



Petra Campbell with the former Prime Minister of Tuvalu, Saufatu Sopoanga.

IHFA has a strategic ten year plan implemented through pilot programs and rolled out Pacific wide. We engage a very broad cross section of society, especially the corporate world. IHFA has successfully implemented programs due to cash provided by its partners such as Internationaler Hilfsfonds e.V. IHFA's main support during its start up stage has been corporate pro bono services. Without the significant contribution made by our pro bono supporters none of IHFA's joint projects could have been realized. We take this opportunity to thank the corporate and business community for their ongoing support of our efforts.

THE BOARD OF DIRECTORS

Corporate Governance

IHFA is run by a board of directors. Under the terms of the constitution directors cannot be paid for their services as directors. The directors' role is to ensure IHFA complies with its legal obligations and is working towards its strategic goals. IHFA seeks to have a board of 5 to 8 members with a high standard of technical, professional and academic experience and a passion for the Pacific Region.

The Board

Petra Campbell, Chairman

Petra worked for 13 years as the Child Sponsorship Coordinator for the German aid agency Internationaler Hilfsfonds e.V. For the last 5 years she established and headed their Pacific Region Department as well. She co-founded International Help Fund Australia in order to raise awareness and funding from the Australian public regarding the problems facing our Pacific neighbours. In her dual role as Pacific Region Director of Internationaler Hilfsfonds e.V and Chief Executive Officer of IHFA, Petra was responsible for initiating and designing the exciting projects being carried out by IHFA.

Claire Hanley Bsc (Econ) ACA, Finance Director

IHFA co founder Claire Hanley is a chartered accountant and registered auditor with over 20 years accounting experience, the last ten of which has included experience in the not for profit and environmental sector.



Cass Campbell, Director

Cass is a retired school teacher who brings a wealth of experience to IHFA's education programs.

Grant McCall (BA Cal. Berkeley, BLitt Oxon., PhD ANU).

Grant is Director of the Centre for South Pacific Studies at the University of New South Wales. Grant's role in the Centre for South Pacific Studies has brought him to research and teach in the field of development studies and Australia's role in the Asia-Pacific region.

Brett Hurley (BCom. LIB UNSW, MB.BS SYD.)

Has extensive experience as a solicitor and has also worked in a number of hospitals as a medical doctor. His talents will be of great use particular in advising in health and education programs.

MESSAGE FROM THE CEO



Australia's peace and security is linked to our geographical neighbours' political and economic stability, poverty reduction, health and education and environmental sustainability. While Asia is growing, our Pacific neighbours are not. The Islands face many serious challenges to economic development and environmental safety: isolation, rapid population growth, limited land, water and energy and limited economic options.

This year has been a very exciting one for IHFA as we have expanded our programs and objectives. We have focused our energies on developing and implementing pilot programs. Those programs have shown there are effective solutions to seemingly intractable problems.

We made significant progress in three of our major programs: waste management, SCRAP, and water sanitation. We have established new partnerships with prestigious Australian and regional organisations and consolidated existing partnerships. Our partnerships involve a broad cross section of like-minded partners working in the Pacific Region such as the French Development Agency, seeking to promote regional cooperation. At the same time we actively facilitate the transfer of appropriate Australian technology and know-how, and the Australian public's generosity.

IHFA has a pragmatic approach to solving particular environmental and waste management issues. For example, the majority of Pacific Islands have common characteristics when it comes to addressing waste management. One of the most problematic is their isolation which increases the costs of shipping anything in and out of the Islands. We have therefore formed alliances with regional freight transporters such as REEF Shipping, LAN Airlines, and Air Tahiti Nui. In many cases, without the assistance of these companies, the transport costs of many projects would prove prohibitive.

Going forward we are delighted to welcome 2 new board members to our team. Grant McCall, (BA Cal. Berkeley, BLitt Oxon., PhD ANU) is Director Centre for South Pacific Studies at the University of New South Wales. Grant's role in the Centre for South Pacific Studies has brought him to research and teach in the field of development studies and Australia's role in the Asia-Pacific region. Brett Hurley (BCom. LLB UNSW, MB.BS SYD.) is both a doctor and a lawyer and will bring his considerable talents to our team in particular to help roll out our health programs.

The challenge for International Help Fund Australia in the coming year is to secure funding to underwrite our organization and to roll out our projects and programs Pacific wide. To this aim we are working to formalise our relationship with Australian Government agencies and international funding bodies as well as developing new relationships with corporations. In achieving this we will be able to continue to grow and move towards a sustainable Pacific.

PETRA CAMPBELL.
Founder and CEO.

OVERVIEW OF PROJECTS AND PROGRAMS

THE PACIFIC REGION SCRAP METAL AND PLASTIC RECYCLING AND REMOVAL PROGRAM (SCRAP).

SCRAP was jointly initiated by Internationaler Hilfsfonds e.V and IHFA. Following the successful removal of 375 tonnes of scrap metal from Niue in April 2005, IHFA has continued to promote and implement the program in line with its objective of a Pacific that manages its waste effectively.

- **Palau, the Federated States of Micronesia and the Marshall Islands.**
On July 22nd, 2005 the three presidents of Palau, the Marshall Islands and the Federated States of Micronesia issue a communiqué designating IHFA and other partners to work with the Pacific Island Regional Recycling Initiative Committee to “establish a Regional Plan for metal waste removal”.
- IHFA commissioned a five day training course in scrap metal processing from Sims Pacific Metal in Queensland for the three countries, completed by Terry Adams.



From left to right: President Urusemal, Federated States of Micronesia; President Tommy Remengasau J. Palau; Petra Campbell, IHFA's CEO; President Kessai H Note, Marshall Islands.

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- **Easter Island.** In May 2005, Terry Adams of Sims Pacific Metal conducted a study on the processing of scrap metal in Easter Island for IHFA which was provided to Easter Island's Waste Management Department headed by the Mayor, and the Office of the Governor to Chile in Easter Island. Sims Pacific Metal donated a Harris Torch Gun, fluorescent work vests and goggles for efficient and safe oxycutting.



Waste Management Department with Equipment from Sims. Testing the new Harris Gun Torch from Sims.



Scrap metal laying around Easter Island.

- **Tahiti** benefited from two visits in 2005 by Sims Pacific Metal, one solicited by IHFA and the other solicited by Tahiti's Waste Management Department (SEP).
- Following a successful trial exportation of scrapped cars to Auckland, Tahiti's Waste Management Department (SEP) continues to export scrap metal to Auckland with over 2,500 tonnes of baled cars now being exported and recycled annually.



Scrapped cars in Tahiti



Tahitian bales cars bound for Auckland

- **"How to Process Scrap Metal on Your Island".** IHFA and International Hilfsfonds e.V. co produced an instructional video for Waste Management Departments.
- **"Niue Scarp Metal Removal Pilot",** IHFA and International Hilfsfonds e.V co produced a film of the removal of 375 tonnes of scrap metal from Niue for recycling on

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New Zealand. The films were distributed by the Secretariat for the Pacific Region Environment Program (SPREP).



Filming at Sims Pacific Metal.

Filming in Niue



- **“How to Process Plastic on Your Island”.** Following the success of our film, “How to Process Scrap Metal on your Island” IHFA, in partnership with the French Development Agency and the Société Environment Polynésien, are producing an educational film called “How to Process Plastic on Your Island.” Filming will be begin in October 2006 in Australia, Tahiti and Samoa. Other partners include, Sims Plastic, Reef Shipping, Australia’s Wastech, The Samoan Waste Management Department, Air Tahiti Nui, the Plastic and Chemical Industry of Australia, and the Secretariat of the Pacific Region Environment Program which will distribute the film.
- **Tuvalu Plastic Shopping Bag Free Program.** In July 2005 Tuvalu adopted IHFA’s plastic shopping bag free program. IHFA’s partner, Internationaler Hilfsfonds e.V, funded 6 bags per household (6,800 bags) to the main Island of Funafuti. IHFA facilitated free shipping by Reef Shipping and draft environmental legislation from Freehills lawyers. The program also provided shops with a stock of brown paper bags as well as paper wrapping for meat, fish and frozen products. The public information campaign included radio programs, bilingual brochures, a schools program and a traveling theatre production.
- The Hon. Maatia Toafa, Prime Minister of Tuvalu, confirmed that Tuvalu will ban the importation of plastic shopping bags. The program was initially approved by Cabinet in April 2004 under Prime Minister Saufatu Sopoanga.



The Kilongasti Theatre Group perform a radio play.



The replacement calico bags used in Tuvalu.

WASTE MANAGEMENT

Easter Island

- Following on from the 2004 visit, organized by IHFA and Internationaler Hilfsfonds e.V., by Guillaume Gay, chief engineer for the Tahitian Waste Management Department (SEP), the Waste Management proposal was delivered to the Mayor of Easter Island and the Governor of Chile in January 2006. This report sought to use SEP's technical expertise and experience to address the waste management problems faced by Easter Island, such as high tourism due to its UNESCO World Heritage National Park listing.



Guillaume Gay and Petra Campbell present the waste management plan to Easter Island Mayor Pedro Pablo Pao.



Guillaume Gay and Petra Campbell present the Waste management plan to Easter Islands Governor to Chile, Enrique Pakarati Ika.

- After the 2004 delivery of recyclable containers, organized by SEP, IHFA and Internationaler Hilfsfonds e.V. Easter Island has been exporting it's used motor oil and car batteries to Chile.
- In January 2006 Sims Pacific metal donated OH&S equipment and a Harris Torch Gun torch to Easter Island for effective scrap metal processing.



The containers for the storage of used motor being used effectively as Guillaume Gay verifies.



Lus Sazzo and Carlos of the Easter Island Waste Management Department at Tahiti's sanitized landfill

WATER SANITATION

Composting Toilets

- In June 2006 the American based Easter Island Foundation donated funds to IHFA towards the purchase of a Rotaloo Maxi 2000 composting public toilet for installation in the UNESCO listed World Heritage National park of Rapa Nui in Easter Island.
- Australia's Environment Equipment, which produces the Rotaloo, donated a domestic Rotaloo for trial on the Island.
- The toilets are to be delivered in October 2006 with free freight supplied by Air Tahiti Nui and Lan Airlines.
- These outcomes are a result of a project jointly initiated by IHFA and Internationaler Hilfsfonds e.V to address the threat to Easter Island's drinking water from the large number of pit latrine toilets on the Island.



Enrique Tucki checks the internal workings of the composting toilets.



Andrew Holten, Enrique Tucki and Petra Campbell visit the composting toilets in Victorian National Parks

Compostable Baby Nappies

- Disposable baby nappies represent a waste management problem and threat to fresh water sources across the Pacific region. In looking for a viable alternative, IHFA and Internationaler Hilfsfonds e.V successfully trialed Australian designed Weenies compostable baby nappies in the Islands of Palau, Samoa, Easter Island, Kiribati and Tahiti.

IHFA and Internationaler Hilfsfonds e.V co-produced an information film "Compostable Baby Nappies in the Pacific."



Easter Island trial Mums learn about the Eenees compostable nappy.



Baby Erin sleeping peacefully in her Eenees compostable nappy.

United Nations Environment Program (UNEP)

In 2005, IHFA's CEO consulted to the UNEP's comprehensive report, "Definition Study for an Initiative on Solid Waste Management in the Pacific Region", jointly prepared with the French Development Agency.

Regional Strategy For Solid Waste Management In Pacific Islands Countries and Territories, Secretariat To The Pacific Region Environment Program.

- In November 2005, IHFA's CEO, Petra Campbell, facilitated a "difficult wastes" workshop at the Seminar for the Regional Strategy for Solid Waste Management in Pacific Islands Countries and Territories held by the Secretariat of the Pacific Region Environment Program, in Apia, Samoa.
- The film "How to Process Scrap Metal on Your Island," co-produced by IHFA and Internationaler Hilfsfonds e.V was screened to delegates representing the Waste Management/Environment departments of the Pacific Islands and distributed to members during the seminar.

Pacific Island Waste Management Departments Visit Australian Technologies.

- In April 2006, with the assistance of Biobin and the Department of Trade and Economic Development of the Government of South Australia, IHFA hosted a visit by Toke Talangi, Niue's Minister of Environment and Finance, Ricky Makani, Niue's Waste Management Director and Karl Meuel, SEP's CEO. The delegates were taken to visit Biobin technology, rapid low tech robust, organic composting bins.
- The Department of Trade and Economic Development of South Australia with Business SA hosted a lunch for the Pacific Island group to network with South Australian environmental technology companies.
- Karl Meuel visited the Sims Group for sourcing an export market for their recyclables.
- John Wichman, from the Cook Islands also joined us to visit MediVac Limited to learn about the latest technology in clean and safe medical waste treatment.



Tahiti's Karl Meuel and Niue's Toke Talangi Inspect Australia's rapid organic composting Biobin.



Delegates to the "Difficult Wastes" Seminar, Samoa

MEDIA AND PUBLIC EDUCATION

Films

- IHFA Co-Produced with IH e.V, 7 films and two TV commercials, for the purpose of fund raising and for public and waste management education.

Journal Articles

- ARTLINK's special "Ecology" Issue in December 2005. The use performance art on Pacific Islands to communicate issues of waste management to the public.
- The Rapa Nui Journal, "Easter Island: On the Verge of a Second Environmental Catastrophe"

Media

- Articles in the Sydney Morning Herald, The Australian and interview on ABC radio.
- Tahitian TV, radio and print media.
- Easter Island TV, radio, print and E media.
- Tongan print media.
- Tuvalu radio.
- Palau print media.

Major Seminars and Conference Attendance

- July 2006 attended the 2nd Pacific Region Recycling Initiative Committee meeting. Koror, Palau.
- July 2006, attended the fifth Micronesian Presidents Summit, Koror, Palau.
- August 2005 presented an occasional seminar at UNSW Centre For South Pacific Studies. "Taking the Rubbish out of the Pacific Islands"
- November 2005, facilitated a workshop on "Difficult Wastes", Regional Strategy for Solid Waste Management in Pacific Islands Countries and Territories, held by the Secretariat of the Pacific Region Environment Program, Apia, Samoa.
- November 2005, attended the 6th Civil Society Forum at Port Moresby in Papua New Guinea, held in parallel to the APEC summit.



Group photo after the presentation of the peoples forum on the Pacific Plan to Greg Urwin, Secretary General of the Pacific Islands Forum Secretariat, pictured centre.

ACKNOWLEDGEMENTS

IHFA recognizes that the business community is an integral part of the sustainable development process. In return for their support IHFA can give these companies media and electronic exposure, and exposure to the region. We can provide the value and prestige that comes from supporting a worthy long term goal.

We would like to take this opportunity to thank all of our partners for their support in 2005-2006 and look forward to working with them in the future.

Our Partners, Donors, Supporters.

Agence Française de Développement,
Air Tahiti Nui,
Auckland City Council,
Australian Business Volunteers,
Biobin Technologies,
Environment Equipment (Rotaloo),
Freehills,
Government of South Australia,
Internationaler Hilfsfonds e.V.,¹
Kuver Design,
Lan Airlines,
New Zealand International Aid and Development Agency,
Reef Shipping,
Secretariat of the Pacific Regional Environment Program,
Sims Pacific Metal,
Sims Plastic,
Société Environment Polynésien,
Tahiti,
The Easter Island Foundation,
UTS Shopfront,
Walter Turnbull,
Wastech.

Contact Us

Telephone: (61-2) 93898707
Fax (61-2) 93898706
Email: kpmmm@ozemail.com.au
Address: PO Box 1373. Bondi Junction.
NSW. Australia. 1355.



*Petra Campbell with the Honorable
Maatia Toafa, Prime Minister of
Tuvalu*

¹ **End of a Partnership.**

IHFA will no longer be working in partnership with Internationaler Hilfsfonds. The Board of IHFA wished Internationaler Hilfsfonds e.V. continued success in their development work.

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2006.

DIRECTORS

The names of the directors in office at any time during, or since the end of, the year are:

Petra Campbell
Claire Hanley
Cass Campbell

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

CURRENT DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Petra Campbell

Experience - 13 years experience in developing and implementing international aid programs and running child sponsorship programs. Extensive work with Pacific governments

Special Responsibilities

- Chair, spokesperson, program development

Claire Hanley

Qualifications - Chartered Accountant and Registered Auditor (England and Wales), Economic degree from the London School of Economics

Experience

- 17 years accountancy experience, 5 years in development and environmental sector

Special Responsibilities

- Finance

Cass Campbell

Experience

School teacher

Special Responsibilities

Child development advisor

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Claire Hanley
Company Secretary for International Helpfund Australia Ltd

Claire Hanley is a qualified chartered accountant and registered auditor in England and Wales. She has over 15 years experience in accountancy and business administration.

DIRECTORS' MEETINGS

The number of Board meetings and Audit and Risk Management Committee Meetings held during the year, and the number attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Petra Campbell	2	2
Claire Hanley	2	2
Cass Campbell	2	1

The surplus of the company for the financial year amounted to \$3,140 (2005 \$1,555 deficit)

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DIRECTORS' REPORT

REVIEW OF OPERATIONS

A review of the operations of the company during the financial year and the result of those operations show that the company incurred a loss. The company is a not-for-profit organisation and in the event that it produces a surplus, will be exempt from income tax provided it satisfies the relevant provisions of the income tax legislation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During or since the end of the year there were no significant changes in the Company's state of affairs other than that referred to in the accounts or notes thereto.

PRINCIPAL ACTIVITIES

The company organised aid projects in the Pacific Region which resulted in partners contributing in kind assistance to the value of \$63,210 and cash income of \$6,506. Operating expenses for the year were \$3,344, resulting in a net surplus of \$3,162.

The company did not receive any Australian Government funding.

The company's operation during the year performed as expected in the opinion of the directors.

Continued Growth in State of Affairs

Aid projects commenced the past 2 years have continued and have resulted in the strengthening of partnerships with existing pro bono partners as well as the establishment of new ones.

During the year the organization, in partnership with the Tahitian Waste Management Department, successfully applied for funding from the French Development Agency (AFD) to produce a film "How to process plastic on Your Island." It is expected this will be the first of several joint programs with the Tahitian Waste Management Department.

Principal Activities

1. Two videos were produced.
2. The Pacific Region Scrap Metal and Plastic Recycling Program continued. The organisation, with its partner Sims Pacific Metal, designed and provided a five day training course for the Islands of Palau, the Federated States of Micronesia, and the Marshall Islands. Sims Pacific Metal donated oxycutting and OHS equipment to Easter Island.
3. The organization and the Tahitian Waste Management department presented the solid waste management action plan to the Municipality of Easter Island and the Governors Office.
4. Funding was confirmed for the expedition of two composting toilets to the UNESCO listed world Heritage National Parks of Orongo and Anakena beach in Easter Island.
5. Compostable baby nappies were trialed in four islands with great success and the marketing of them continues.
6. The organization hosted delegations from Tahiti and Niue to visit Australian Waste Management technologies.

No significant change in the nature of these activities occurred during the year.

AFTER BALANCE DATE EVENTS

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

FUTURE DEVELOPMENTS AND RESULTS

There are no likely developments in the operations of the Company and the expected results of those operations in years subsequent to the year ended 30 June 2006 that require disclosure in this report.

DIRECTORS' REPORT

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNITIES

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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

The company was not a party to any such proceedings during the year.

ADOPTION OF AUSTRALIAN EQUIVALENTS TO IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those AIFRS standards as contained in Note 1 to this report. In addition, the company has elected to change certain accounting policies to comply with the recognition and measurement criteria contained within AIFRS. These changes are included in Note 7 to the financial report.


AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4

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


Petra Campbell
Director

Dated this 26th day of September 2006


Claire Hanley
Director

Dated this 26th day of September 2006

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTERNATIONAL HELPFUND AUSTRALIA LIMITED



I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Don Walter
Don Walter
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Dated: 26th September 2006

Level 17
55 Clarence Street
Sydney NSW 2000
GPO Box 1808
Sydney NSW 2001
Tel (02) 9299 4678
Fax (02) 9299 3131
www.walterturnbull.com.au
walterturnbull@walterturnbull.com.au
A division of
Walter Turnbull Pty Ltd
ABN 57 089 140 876

BUSINESS ADVISORY SERVICES

ASSURANCE SERVICES

MANAGEMENT CONSULTING

FINANCIAL PLANNING

INSOLVENCY SERVICES

ACCOUNTING SOLUTIONS

DIRECTORS' DECLARATION

The directors of the company declare that:

- The financial statements and notes, as set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*:
 - comply with Accounting Standards and the Corporations Regulations 2001; and
 - give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the company.
- In the directors' opinion there are reasonable grounds to believe that the company 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.

Petra Campbell
Petra Campbell
Director

Dated this 26th day of September 2006

Claire Hanley
Claire Hanley
Director

Dated this 26th day of September 2006

"Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)"

SYDNEY CANBERRA

INTERNATIONAL HELPFUND AUSTRALIA LIMITED
ABN 69 108 077 176

INCOME STATEMENT
FOR THE YEAR ENDED
30 JUNE 2006

	2006 \$	2005 \$
Revenue – cash donations	6,506	-
Revenue sponsorship in kind	63,210	135,038
Accountancy	(880)	(396)
Audit fees	(550)	(132)
Legal fees – Sponsorship in kind	(17,764)	(19,800)
Program Assistance – Sponsorship in kind	(45,446)	(115,238)
Formation expenses	-	(924)
Other expenses	(1,936)	(103)
Net surplus(deficit) from ordinary activities	3,140	(1,555)

INTERNATIONAL HELPFUND AUSTRALIA LIMITED
ABN 69 108 077 176

BALANCE SHEET
FOR THE YEAR ENDED
30 JUNE 2006

	Note	2006 \$	2005 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	6,636	130
TOTAL CURRENT ASSETS		6,636	130
TOTAL ASSETS		6,636	130
CURRENT LIABILITIES			
Trade and other payables	3	550	-
Short-term borrowings	4	4,533	1,717
TOTAL CURRENT LIABILITIES		5,083	1,717
TOTAL LIABILITIES		5,083	1,717
NET ASSETS		1,553	(1,587)
EQUITY			
Members Funds		30	30
Accumulated surplus (deficit)		1,523	(1,617)
TOTAL EQUITY		1,553	(1,587)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2006

	Note	Retained Earnings \$
Balance at 1 July 2004		(32)
Retrospective adjustment upon Change in accounting policy	7	(924)
Deficit of the Company		(631)
Balance at 30 June 2005		(1,587)
Surplus of the Company		3,140
Balance at 30 June 2006		1,553

The accompanying notes form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED
30 JUNE 2006

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Donations		6,506	-
Payments to suppliers and employees		(2,816)	-
Net cash provided by operating activities	6	3,690	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,816	100
Net cash provided by financing activities		2,816	-
Net increase in cash held		6,506	100
Cash at beginning of year		130	30
Cash at end of year		6,636	130

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2006

NOTE 1: Statement of Significant Accounting Policies

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the company is not a reporting entity.

The financial report covers International Helpfund Australia Limited which is a public company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and the following applicable Australian Accounting Standards and Urgent Issues Group Interpretations.

- AASB 101: Presentation of Financial Statements;
- AASB 107: Cash Flow Statements;
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 110: Events after Balance Sheet Date;
- AASB 117: Leases;
- AASB 1031: Materiality; and
- AASB 1048: Interpretation and Application of Standards.

No other Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The company was formed to provide humanitarian, environmental and health assistance to islander populations in the Pacific Region. The Directors believe that any surplus derived from its activities should be exempt from Australian income tax under the current legislation. The company is currently applying for income tax exemption status.

(b) Goods and Services Tax (GST)

The company is not presently registered for GST as the provision of "in kind" assistance does not represent a taxable supply of the company under the GST legislation. Accordingly its income and expenses are recognised in these financial statements inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2006

NOTE 1: Statement of Significant Accounting Policies (cont'd)

(c) 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Resources received free of charge

The company receives some resources and services free of charge. Where it is possible to reliably estimate the value of these services the company recognises the revenue and associated expense.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

	2006 \$	2005 \$
Cash on hand	30	30
Cash at bank	6,606	100
	6,636	130

NOTE 2: Cash and Cash Equivalents

Cash on hand	30	30
Cash at bank	6,606	100
	6,636	130

NOTE 3: Trade Payables

CURRENT		
Trade payables	550	-

NOTE 4: Borrowings

CURRENT		
Loan from Directors	4,533	1,717

NOTE 5: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a. The company has no contingent liabilities.
- b. The company has no contingent assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2006

	2006 \$	2005 \$
NOTE 6: Cash Flow Information		
a. Reconciliation of Cash flow from Operations		
Surplus from ordinary activities	3,140	(631)
Changes in assets and liabilities:		
Increase in payables	550	-
	<u>3,690</u>	<u>(631)</u>

NOTE 7: Change in Accounting Policy

The company has elected to change its accounting policies in respect of the following items to reflect changes to the recognition and measurement criteria resulting from the introduction of Australian equivalents to International Financial Reporting Standards. Retrospective adjustments have been made to comparative information where applicable.

Intangibles – Formation Expenses

Formation expenses are no longer recognised as an intangible asset but expensed when occurred.

	Previously Stated \$	2005 Adjustments \$	Restated \$
Income Statement			
Formation expenses	-	924	924
Deficit	(631)	(924)	(1,555)
Balance Sheet			
Intangible assets	924	(924)	-


NOTE 8: Company Details

The registered office of the company is:
International Helpfund Australia Limited
3 Buller St
Bellevue Hill NSW 2023

Audit Opinion

In our opinion, the financial report of International Helpfund Australia Limited is in accordance with:

- a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - ii. complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements to the extent described in Note 1.


Don Walter
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Dated: 26th September 2006