

ANNUAL REPORT 2019



ONE HEART
FOUNDATION

One Heart Foundation Limited
ABN 786 028 045 99
115 Sackville Street
Collingwood
Victoria 3151

Incorporation and charitable status

Australian Public company, limited by guarantee under the Corporations Act 2001.
Members are our current directors.

Registered charity with the Australian Charities and Not-for Profits Commission from 31 May 2018.

Tax concessions and fundraising

Public Benevolent Institution (PBI) and endorsed by the Australian Taxation Office as:

- a Deductible Gift Recipient (DGR); and
- an income tax exempt charity (holding tax concessions and exemptions relating to income, goods and services, and fringe benefits taxes).

About this Annual Report

This Annual Report covers our activities and performance for the period 1 July 2018 to 30 June 2019 – our financial year.

2019

ANNUAL REPORT

Welcome to the 2019 Annual Report. This financial year has been another year of growth and consolidation.

Although we've had our challenges we keep on making headway. I love reading through the Annual Report as it reminds me of the progress we have made and it highlights our achievements of which I am proud.

It is a team effort of our committed Board, employees, generous sponsors, corporate donors, fundraising teams, volunteers, in-country workers, supporters and well-wishers that really shows the spirit that is One Heart.

Enjoy our story!



FROM THE DIRECTOR

This year has seen growth in the number of children we now support. One Heart's primary focus is on the kids, providing holistic care and education. They have all been happy and healthy.

As always our growth is limited by our fundraising. While it was a great year with the Gala Ball and Run From Poverty, we finished up the financial year facing challenges around increasing costs, greater maintenance projects and reduced exchange rates. We also completed many works from the 2018 financial year.

One Heart continues to forge ahead towards our bigger vision to impact more communities and we appreciate every dollar given and every hour volunteered by our incredible team that makes this life changing work happen.

Dean Landy



OUR HEART

One Heart beneficiaries are orphaned, abandoned and vulnerable children of Kenya and Uganda. There is so much potential locked inside these children waiting to be unlocked through a combination of education and care.

ABOUT US

Vision

Empowering entire communities and transforming the lives of vulnerable children

Mission

One Heart Foundation Limited is based in Australia and working in Africa, establishing a series of villages to care for vulnerable children, and transform entire communities through the power of education, care and entrepreneurship.

Pillars

- Holistic Care
- Quality Education
- Health
- Social Enterprise
- Impact Partnership



MEET THE TEAM

PEOPLE BEHIND THE FOUNDATION



DEAN LANDY
CEO/DIRECTOR



CAIN
SPECKMAN
DIRECTOR



JORDAN
HILL
DIRECTOR



NEVILLE
WATERMAN
DIRECTOR



ANTHONY
O'NEILL
DIRECTOR



DEBRA
O'NEILL
ADMIN
MANAGER



COURTNEY
SMITH
EVENTS
MANAGER



SHADRACK
CHUMA
MANAGER
UGANDA



MARTIN
THIONGO
MANAGER
KENYA

Sustainability Statement

Social

We have established a program to rehabilitate orphaned and abandoned children to become the leaders of tomorrow. The strong family unit helps nurture growth and self-esteem and where possible, we are reconnecting children with any known relatives so as to retain their cultural and tribal identity.



Financial

We have developed a financial model that ensures our operations in Kenya can become financially self-sustainable through funds generated through a series of social enterprises. Each eco-village will generate multiple income streams to support the community.



Environmental

Each village is designed to generate its own power, water collection, waste water treatment and food production. The buildings are designed with simple passive design considerations to ensure they use minimal energy and are comfortable to live in.





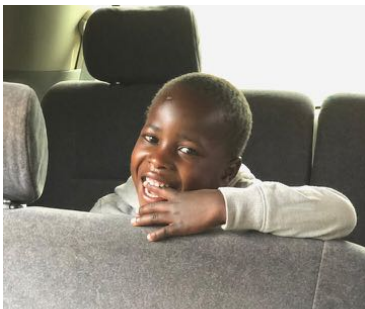
OUR CHILDREN

One Heart partners with a rescue centre, who provide short term shelter to street kids and the local Government child protection agencies. We provide long term boarding and education scholarships to orphaned, abandoned and vulnerable children..

KENYA

NEW CHILDREN

These children have faced incredible hardship, but we know that with love and education, they can have a very bright future.





OUR NEWS

The One Heart High School boys were so pumped to receive all new football uniforms and boots...they went on to win a local competition.

Also this year we were able to purchase a new set of brass band instruments for the One Heart band. Instruments included saxophones, trumpets, a cornet, baritone, trombone, mace and drums. We were also able to get a class set of recorders to start the school music program.

Thank you so much to the generosity of our supporters who contributed the funds to make these both happen. The children's talents are now able to really shine. This will help to expand our Music and sports programs at One Heart School.

UGANDA

NEW EXPERIENCES

Our operations in Uganda stepped into full gear this year. 50 children from Bugiri in Uganda were placed in Boarding school this year. For some of the children, it was their first experience putting "on shoes, sandals, sleeping on a mattress under a mosquito net, or having a covering of bed sheets and a blanket as well as eating a healthy diet." For many of the children eating three meals a day is a new experience.

The One Heart Uganda Board extends their "appreciation to all the One Heart Team for the great work done for these children, seeing that their lives are changing emotionally, physically and spiritually". All the children received a medical check-up, new clothing, school uniforms, stationery and toiletries.





FUNDRAISING

One Heart Foundation's principal activity is to raise money for the purpose of poverty relief via One Heart Kenya and One Heart Uganda.

FUNDRAISING

SPONSORSHIP MATTERS

One Heart focuses fundraising efforts in 4 areas, a biannual event Gala Dinner, annual Run From Poverty events, Child Sponsorship and Corporate giving. One Heart funded approximately 19% of activities recurring monthly support, Run from Poverty funded 30%, the Gala Ball 37% and general donations made up 14%. Child Sponsorship covers all daily operational costs as well as educational costs. Our events allow us to focus on capital works.

The One Heart 2019 Gala Ball in April at the Grand Hyatt in Melbourne, hosted by Shane Jacobson, was an outstanding success. Our main goals were to ensure over 500 guests had an enjoyable night to remember, that we could raise awareness of One Heart Foundation - our current projects in Kenya as well as what we were starting in Uganda, and of course to raise funds to make it all happen...in fact we reached the \$200,000 target.



EVENTS

RUN FROM POVERTY

It is impossible to sum up what the Run from Poverty means to both the team from Australia, and the team at One Heart Kenya and Uganda, and especially the kids. It was truly a life changing experience.

This group of champions have not only taken time out from their families, businesses and work to help further develop One Heart Foundation, but

they ran a marathon and have each raised over \$10,000 which will now enable us to build more facilities...and of course to continue to care for all of our kids.

The Run From Poverty Team also take part in a Personal development program, visit our projects and cap it all off with a trip to the Massai Mara.





FOUNDERS DAY

On the 4th annual Founders Day, in July 2018 we were privileged to have the Deputy Governor, the Minister for Education, two time Boston Marathon champion Moses Tanui, and the local village chief and elders as our guests of honour as we celebrated the day with hundreds of people from the local community. The event even made it to the National News!

In the afternoon we were able to lay the Foundation stones for the new Life House and officially opened our new boarding and High School facilities. It was a rare privilege to be able to name the new facilities in honour of some inspirational people who have impacted One Heart's vision and grateful for their on-going contribution and for their generosity.



CONSTRUCTION

A big focus of One Heart is to create a series of financially self sufficient communities that are able to generate their own income to help care for vulnerable children.

BUILDING CHALLENGE

THE EXPERIENCE

The Building Challenge experience is more than being part of a construction and maintenance team. They make the needed improvements, live and work how the Africans do, develop relationships with the staff and children, visit the One Heart projects and do some tourist attractions along the way.

"The hardest, emotionally challenging deployment ever" Duane Smile

"Overall I believe I got more out of the experience than I put in" Mike Osborne

VISITED

Kenya and Uganda projects
The Eldoret Rescue Centre
Source of the Nile, Jinja
Elephant Orphanage Nairobi
Giraffe Sanctuary & Karen Blixen Museum

ACHIEVEMENTS

- Tiling Admin Centre
- Painting
- Basketball court
- Planted New Orchard
- Maintenance works/Gardening



CAPITAL WORKS

MATRONS QUARTERS

Building works is one of our continual projects and 2019 was no different. We focused on making improvements to the existing Primary School Buildings, this involved rendering, adding fascia boards, guttering, water tanks and painting as well as toilet repairs. We also built a new Matrons quarters for the Boarding School.

LIFE HOUSE

Each building has to be built to a very tight budget so we use all locally sourced materials and labour, and we try to make our own concrete blocks.

In July 2019 we officially opened the new 'Life House' at the One Heart Village in Turbo, Kenya.

However, this is more than a house...it is a new boarding facility for 30 children who were once orphaned and abandoned, living on the streets or in a rescue shelter, but now they are part of a loving family & attending the One Heart School.

'Life-House' was officially opened by the Australian High Commissioner (Ambassador) H.E Alison Chartres, Uasin Gishu County Governor H.E.Jackson Mandago and One Heart Founder & CEO, Dean Landy.

A huge thank you to the LIFE churches in Auckland and Melbourne for their generous support through their Legacy giving program. Together with One Heart they are making a real and long lasting impact "that will have a generational echo".



WATER SECURITY

THE GOAL

One Heart focused on Water Security in 2019, we provided safe, clean drinking water by installing

- a bore and
- elevated water tanks (10,000 litres)
- water tank stands
- water pump
- infrastructure to harvest rainwater for the use of agriculture
- guttering on the Primary, High & Boarding Schools and Administration Centre buildings

OUTCOMES

Significantly reduce the risk of water borne diseases

Better health outcomes for children, staff and surrounding community

Improved sustainability for agriculture projects

Reduction of muddy working environment, improved safety

Rain-water harvested



OUR PROJECTS

A big focus of One Heart is to create a series of financially self sufficient communities that are able to generate their own income to help care for vulnerable children.

PROJECTS

This year we have worked hard on making our projects self sustainable.

Enterprising

It's exciting to see all of our income generating initiatives progressing including the development of a new guest house, dairy, poultry, bakery, crops and now the completion of a new goat farm. It makes me wonder what we could do next...



ORCHARD

Thanks for the kind donation from OnePlate.

Expanding

Our new orchard! Starting with three varieties of mango, orange and avocado, we will soon expand the orchard to around 1000 trees over two properties, . This will not only provide healthy and nutritious food for our kids, but also generate an income for our schools,



GUEST HOUSE

With the help of Kenyan Youth Futures we were able to revamp the Soy property into a Guest House.





STRATEGIC PLAN

The One Heart Sustainable Community Development Model focuses on 5 pillars to provide a holistic approach to breaking the poverty cycle. Care, Education, Health, Social Enterprise and Impact Partnerships.

WHAT'S NEXT FOR US IN THE NEW YEAR

Timeline of Our Upcoming Strategies

1ST QUARTER

- Commence construction of our Multi-purpose, Dining Hall, Bakery facility in Turbo, Kenya
- Complete works on Guest House in Soy
- Extra toilet facilities

3RD QUARTER

- Commence skills training centre in Bugiri, Uganda
- Review Sponsorship Program
- Review Project Sustainability outcomes
- Stage 2 education reform - training the teachers



2ND QUARTER

- Complete stage 1 of Kenyan School Curriculum review
- Admin Tour of Kenyan and Ugandan projects and review of procedures, policies and Strategic Plan
- Review of High School program

4TH QUARTER

- Primary School compliance for School registration
- Focus on RFP Fundraising Event
- Strengthen Fundraising and Corporate sponsorship
- Planning for Soy Strategy

FINANCES

One Heart Foundation continues to see year-on-year growth in its fundraising income, enabling more money being sent to activities benefitting our children.



INCOME STATEMENT

Trading Income

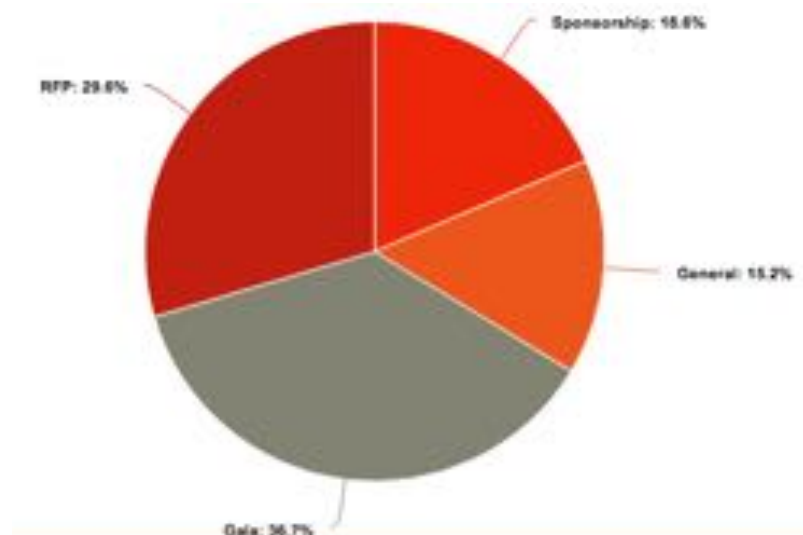
Child Sponsorship	\$92,815
Education Sponsorship	55,791
General Donation	110,259
Other Revenue	10,123

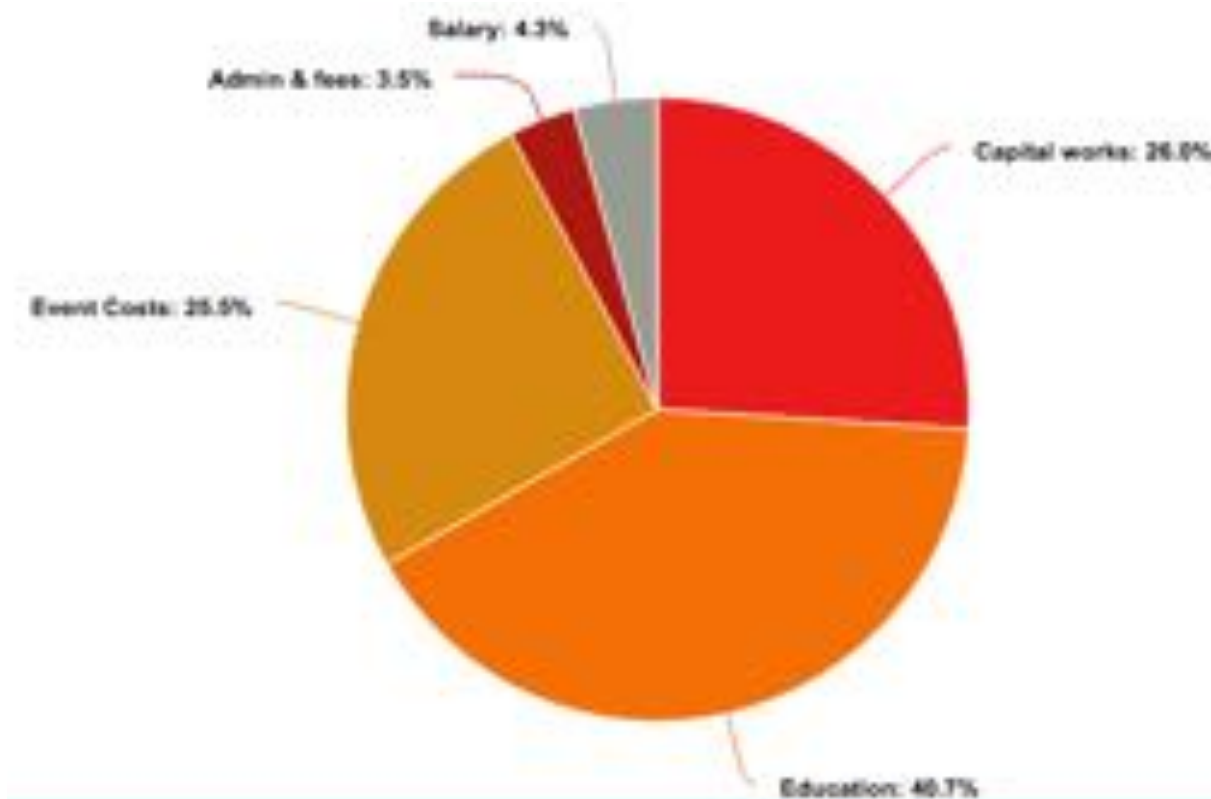
Total Trading Income	\$269,989
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Other Income

Gala Ball Revenue	\$294,071
50 fifty Challenge	(17,496)
Kenyan Youth Futures	(768)
Run From Poverty Donations	140,867
Run From Poverty Participation fees	76,050
Parentmedic	984

Total Other Income	\$493,527
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EXPENSES

"Expenditure was greater than revenue due to the completion of capital works debt from 2018."

Capital Works	\$197,231
Education fees	308,663
Event Costs	148,232
RFP travel Costs	44,759
Salaries	32,850
Administrative / General	12,549
Bank fees and charges	
Total Expenses	\$757,933

OTHER RESULTS

Statement of Changes in equity

Balance at 1 July from previous year	\$53,393
Retained Earnings	\$4,579
Retained Liabilities	\$105,334
Balance at 30 June (year-end)	\$57,942

Beneficiaries

Number of children sponsored in Kenya	117
Number of children sponsored in Uganda	50
Total Pupil enrolment in Primary School	323
Total Pupil enrolment in High School	61



Balance Sheet

One Heart Foundation Limited As at 30 June 2019

30 Jun 2019

Assets

Bank	
One Heart Foundation	130,705
One Heart Medical	957
Total Bank	131,662
Current Assets	
Accounts Receivable	31,161
Go International Bank	400
Total Current Assets	31,561
Total Assets	163,223

Liabilities

Current Liabilities	
Non-interest bearing loan	104,574
PAYG Withholdings Payable	648
Rounding	3
Superannuation Payable	110
Wages Payable - Payroll	-
Total Current Liabilities	105,335
Total Liabilities	105,335
Net Assets	57,889

Equity

Current Year Earnings	4,525
Retained Earnings	53,363
Total Equity	57,889

Profit and Loss

One Heart Foundation Limited For the year ended 30 June 2019

2019

Trading Income

Child Sponsorship	92,761.62
Education Sponsorship	55,791.00
General Donation	110,259.35
Other Revenue	10,123.45
Total Trading Income	268,935.42

Gross Profit

268,935.42

Other Income

Fifty50 Challenge	(17,496.75)
Gala Ball revenue	294,071.16
Kenya Youth Futures	(768.30)
Parentmedic donations	984.00
Run From Poverty Donation	140,687.49
Run From Poverty Participation Fee	76,050.00
Total Other Income	493,527.60

Operating Expenses

Bank Fees	4,919.40
Capital works costs - Kenya	197,231.35
Consulting & Accounting	2,193.95
DGR fees	7,630.91
Education costs - Kenya	281,316.00
Education costs - Uganda	22,337.75
Event costs	148,232.36
General Expenses	1,983.12
Insurance	2,552.00
One Heart Administration Costs	6,921.82
RFP Travel Costs	44,759.20
Superannuation	2,850.07
Sustainability costs - Kenya	5,010.00
Wages and Salaries	30,000.04
Total Operating Expenses	757,937.97

Net Profit

4,525.05

Movements in Equity

One Heart Foundation Limited
For the year ended 30 June 2019

	2019	2018
Equity		
Opening Balance	53,363.46	157,627.49
Current Year Earnings	4,525.05	(104,264.03)
Total Equity	57,888.51	53,363.46

Statement of Cash Flows

One Heart Foundation Limited
For the year ended 30 June 2019

2019

Operating Activities

Receipts from customers	266,134.40
Payments to suppliers and employees	(757,937.97)
Cash receipts from other operating activities	468,272.10
Net Cash Flows from Operating Activities	(23,531.47)

Investing Activities

Other cash items from investing activities	11,672.63
Net Cash Flows from Investing Activities	11,672.63

Financing Activities

Other cash items from financing activities	62,377.79
Net Cash Flows from Financing Activities	62,377.79

Net Cash Flows 50,518.95

Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	81,143.42
Cash and cash equivalents at end of period	131,662.37
Net change in cash for period	50,518.95

Notes to the Financial Statements

One Heart Foundation Limited For the year ended 30 June 2019

1. Statement of Significant Policies

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

1.(a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

1.(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

1.(c) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent of directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the profit and loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

1.(d) Intangibles

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

1.(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

1.(f) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

Notes to the Financial Statements

1.(g) Cash and Cash Equivalents

Cash and cash equivalents includes 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.

1.(h) Trade Receivables and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful has been created.

1.(i) Trade Creditors and Other Payables

Trade creditors and other payables, including bank borrowings and distributions payable, are recognised at the nominal transaction value without taking into account the time value of money.

1.(j) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

1.(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 balance sheet are shown inclusive of GST.

1.(l) Finance Leases

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



ONE HEART

Financial declaration for Responsible Person

per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Responsible Persons declare that in the Responsible Persons' opinion:

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Cain Speakman - CFO
One Heart Foundation

Dated this 30th day of January 2020

Australian Charities and Not-for-profits Commission Act 2012
Auditor's Review Report
Special Purpose Financial Report — Unmodified Conclusion
(Fair Presentation Framework)

INDEPENDENT AUDITOR'S REVIEW REPORT

Report on the Financial Report

I have reviewed the accompanying financial report, being a special purpose financial report of One Heart Foundation Limited, which comprises the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities 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 Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The responsible entities' responsibility also includes such internal control that the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the financial report' based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 2019 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation). ASRE 2415 requires that I comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on our my review, which is not an audit, nothing has come to my attention that causes me to believe that the financial report of One Heart Foundation Limited does not satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance and cash flows for the year ended on that date; and
- (b) 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 of Accounting

Without modifying my conclusion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.



Kristian Stebbing CA

308 Kororoit Creek Rd, Williamstown VIC 3016

30th January 2020



ONE HEART
FOUNDATION