

# **ACTION ON POVERTY LIMITED**

**ABN: 42 002 568 005**

**Financial Report For The Year Ended  
30 June 2019**

***HOUSTON & CO PTY LTD***

Chartered Accountant

# Action on Poverty Limited

ABN: 42 002 568 005

## Financial Report For The Year Ended 30 June 2019

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## **Action on Poverty as at 30<sup>th</sup> June 2019**

### **Director's report**

The directors present their report together with the financial report of Action on Poverty Limited or 'the Company' for the year ending 30<sup>th</sup> June 2019 and the auditors' report thereon.

### **Directors**

The Directors at any time during or since the end of the financial year are:

#### **Mr John Kell, Director – appointed 18/2/2015, Board Chair appointed 23/11/2016**

M Env Stud, Environmental Studies, LLB BA(Hons), FAICD  
Chair Governance and Risk Committee

#### **Dr Angeline Low, Director – appointed 26/10/2009**

PhD, MMgmt, B. Econs. Hons, MAICD, Research Affiliate, University of Technology Sydney  
Chair Communications and Fundraising Committee  
Governance and Risk Committee

#### **Ms Jeanneste Sutanto, Director – appointed 13/04/2016, Resigned 18/6/2019**

Graduate Diploma (Chartered Accountants Program), Bachelor of Commerce  
Communications and Fundraising Committee

#### **John Rock AM, Director – appointed 15/11/2001, term concluded 21/11/2018**

B.Sc. Hons, Retired Sales and Marketing Consultant  
Governance and Risk Committee

#### **Prof. Jock Harkness, Director appointed 27/11/1997, term concluded 21/11/2018**

MBBS DCP (Lon); FRCPA; FASM Microbiologist, St Vincent's Hospital  
Program and Partnerships Committee

#### **Mr. David A Brett, Director- appointed 6/4/2011**

BSc(For) (ANU), MAgr (Syd) Retired Consultant International Development.  
Program and Partnerships Committee

#### **Mr Denis Wolff, Director – appointed 5/11/2012**

M.Sc Environmental Management.  
Governance and Risk Committee

#### **Mr Tim Lovitt, Director – appointed 4/1/2018**

Chair Communications and Fundraising Committee

#### **Mr Mukul Agrawal – appointed 19 June 2019**

Master of Business Administration, Certified Practising Accountant & Graduate of the  
Australian Institute of Company Directors

## Action on Poverty as at 30<sup>th</sup> June 2019

Name	Date of Appointment to the Company	Years of experience as the Director of any Company
John Rock	15/11/2001	27 years
Prof. Jock Harkness	27/11/1997	21 years
Dr Angeline Low	3/8/2009	27 years
Mr David A Brett	6/4/2011	8 years
Mr Denis Wolff	5/11/2012	7 years
Mr John Kell	18/2/2015	20 years
Ms Jeanneste Sutanto	13/4/2016	3 years
Mr Tim Lovitt	4/1/2018	2 years
Mukul Agrawal	19/06/19	4 years

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

### Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors during the financial year are:

Name	Board Meetings	Board Meetings attended
John Kell	6	6
Angeline Low	6	5
John Rock	6	2
David Brett	6	5
Denis Wolff	6	4
Jock Harkness	6	2
Jeanneste Sutanto	6	3
Tim Lovitt	6	5
Mukul Agrawal	6	1 (as an observer)

## **Action on Poverty as at 30<sup>th</sup> June 2019**

### **Principal Activities**

The company's work aims to alleviate poverty in developing countries. The company works in partnership with local organisations that are independent agencies employing local professionals. The company takes a rights-based approach to poverty reduction and works towards addressing the underlying causes of poverty, not only the direct effects of it.

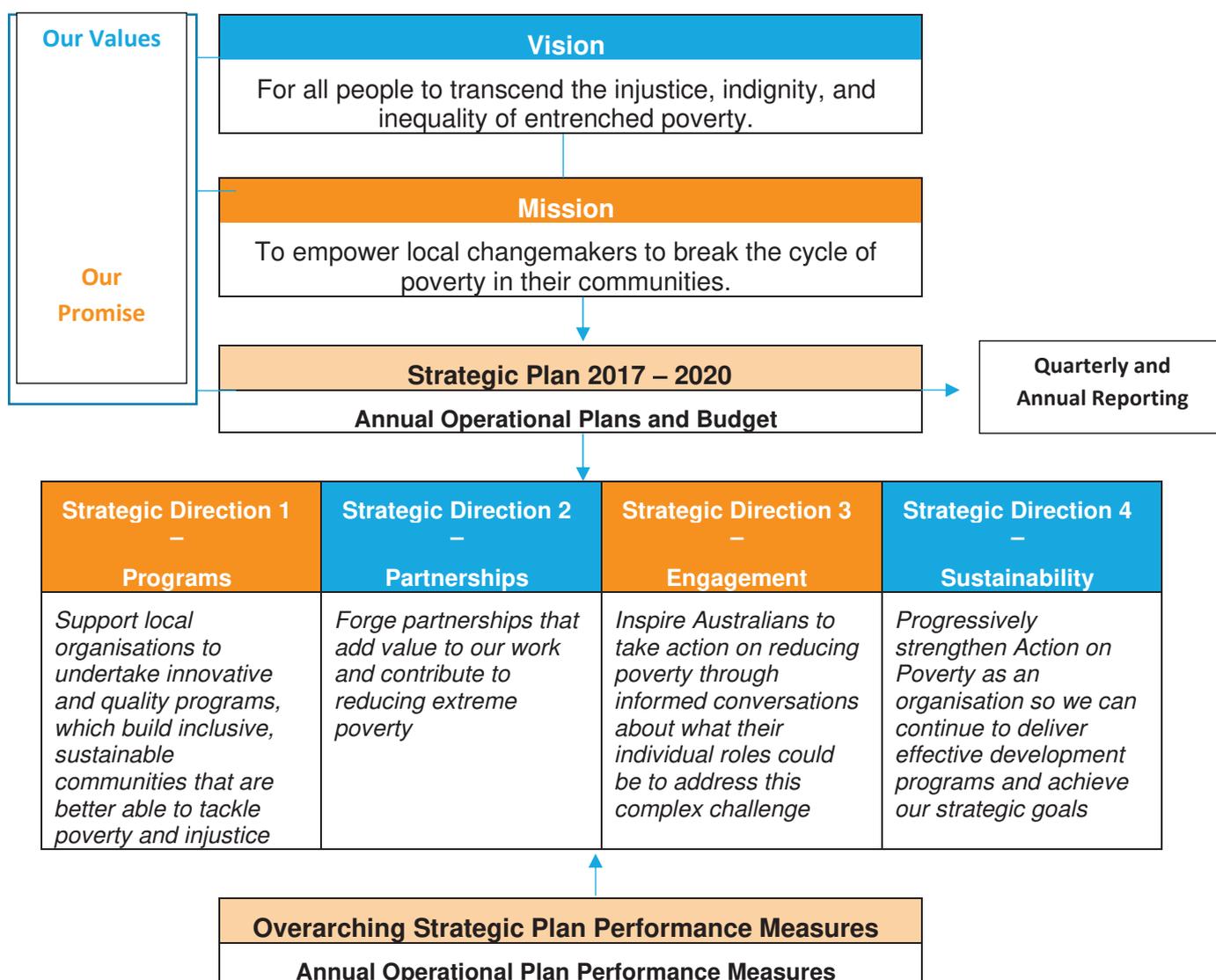
The company takes a multi-sectoral approach to development because the issues that contribute to poverty are complex and interlinked. The company pays attention to providing education and access to information and to issues of social inclusion in its programs.

The company works with local communities to identify what their needs and aspirations are as well as to identify the existing assets and capacity. The key pillars that underpin the company's programs are:

- Food Security
- Livelihoods and Economic Empowerment
- Environmental management, and building resistance to the effects of climate change
- Governance, social accountability and inclusion
- Health
- Water and Sanitation

## Short-term and Long-term Objectives

### STRATEGIC PLANNING FRAMEWORK



### OTHER PLANS AND POLICIES

The Strategic Planning Framework is supported by the company's operational policies and procedures, as well as business plans, which guide the various functions of our organisation, for example, program delivery, marketing and fundraising. All strategic documents should link directly to this overarching Strategic Plan and be prepared with the organisation's Vision and Mission in mind.

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### OUR STRATEGIC DIRECTIONS

The company has four Strategic Directions which guide our primary objective of alleviating poverty.

We developed these Strategic Directions through a participatory strategic planning process in October 2016. We identified that building the capacity of local partners and supporting the development of civil society was the best way to achieve our mission in a sustainable way, while maximising the use of our available resources.

In a crowded market space, we strive to avoid replicating both the work of other organisations and what our partners can do for themselves. While we are not a large organisation, our particular expertise and access to Australian networks makes us well-placed to effectively facilitate, advocate for, and provide technical support for small- and medium-sized organisations in developing communities.

We are now in the process of developing a new strategy that builds on the success of the past, particularly the strength of our partnerships, with a view to grow in a way that is sustainable and effective. We want to enable more Australians (and people around the world) to take action on poverty. We will increasingly focus on enabling people and organisations to create innovative solutions to development issues. By connecting people with ideas, technology, data, and other resources to developing communities, we strive to mobilise more resources to tackle global development issues and create greater impact than ever.

### Review and results of operations

The excess/shortfall of revenue over disbursements amounts to \$366,321 (2017: -\$637,731)

### Dividends

The company's Constitution does not permit dividends to be paid.

### Director's Remuneration

No fees were paid or are payable to our Directors 2019: \$0 (2018: \$0)

### Environmental regulation

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

### Significant changes in the state of affairs

During the 2017-18, the company had several partners exited from the Action on Poverty Partnership Program (APP) as they had achieved their own Deductible Gift Recipient status – this explains the significant drop in donations (and hence total income). There were no other significant changes in the state of affairs of the company during the financial year.

## **Action on Poverty as at 30<sup>th</sup> June 2019**

### **Likely developments**

It is not foreseen that the company will undertake any change in its general direction during the coming financial year. Further information about likely developments in the operations of the company and the expected results in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

### **Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### **Indemnification**

The company has agreed to indemnify the current directors of the company and the former directors against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the company has paid insurance premiums of \$2,345.00 (incl GST) in respect of directors' and officers' insurance contracts, for current and former directors and officers.

No person has applied for leave to the 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 party to any such proceedings during the financial year.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under the Australian Charities and Not for Profits Commission Act 2012.

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

John Kell



DIRECTOR - Chairman



**HOUSTON & CO Pty Limited**  
Chartered Accountant

**Owen Houston CA**

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**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF**  
**THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ACTION ON POVERTY LIMITED**

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Action on Poverty Limited. As the lead audit partner for the audit of the financial report of Action on Poverty Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm      Houston & Co Pty Limited

Name of Partner      Owen Houston

Date      31st October 2019

Address      Suite 4 113 Willoughby Road

Crows Nest NSW 2065

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR**  
**ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>			
<b>Donations &amp; gifts</b>			
- Monetary		1,269,142	1,454,068
- Non monetary		7,960	61,745
<b>Grants</b>			
- Department of Foreign Affairs and Trade		2,647,150	2,206,808
- Other Australian		5,314,147	1,015,743
- Other overseas		543,823	39,054
<b>Investment income</b>		16,092	7,714
<b>Other Income</b>		19,032	32,324
<b>Commercial activities income</b>		80,739	17,157
<b>Revenue for international or religious adherence promotion programs</b>		-	-
<b>Total Revenue</b>	2	9,898,085	4,834,613
<b>Expenditure</b>			
<b>International aid and development programs expenditure</b>			
<b>International Programs</b>			
- Funds to international programs		(8,577,321)	(4,555,666)
- Program support costs		(479,113)	(427,166)
<b>Fundraising costs</b>			
- Public		(101,927)	(134,988)
- Government, multilateral and private		(15,844)	(14,192)
<b>Accountability and administration</b>		(268,859)	(271,543)
<b>Non monetary expenditure</b>		(7,960)	(61,745)
<b>Total international aid and development programs expenditure</b>		(9,451,024)	(5,465,300)
<b>International political or religious adherence promotion programs expenditure</b>		-	-
<b>Commercial Activities Expenditure</b>		(80,740)	(7,044)
<b>Total expenditure</b>		(9,531,764)	(5,472,344)
<b>Excess/(shortfall) of revenue over disbursements</b>		366,321	(637,731)

**Note 1: ANNUAL FINANCIAL REPORT**

This financial report is derived from the Company's annual statutory report for the year ended 30 June 2019 which is available upon request.

**Note 2: REPORTING STANDARDS**

The summary financial reports have been prepared in accordance with the presentation and disclosure requirements set out in the ACFID Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Implementation Guidance available at [www.acfid.asn.au](http://www.acfid.asn.au)

**Note 3: NON MONETARY EXPENDITURE CAN BE BROKEN DOWN AS FOLLOWS:**

Non Monetary Expenditure can be broken down as follows:-

Volunteers - Communications support - 180.4 hours	6,298	
Volunteers - Fundraising Support - 66 hours	1,662	
Professional pro bono Legal support		25,650
Professional pro bono Consulting support		4,050
Professional pro bono Fundraising support		5,662
Professional pro bono IT support		12,000
Volunteers - Admin support - 40 hours		1,475
Volunteers - Fundraising Support - 502.4 hours		12,908
	7,960	61,745

The accompanying notes form part of these financial statements.

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,008,373	1,322,270
Accounts receivable and other debtors	5	-	573,459
Other current assets	6	-	8,000
<b>TOTAL CURRENT ASSETS</b>		<u>3,008,373</u>	<u>1,903,729</u>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	7	98,305	51,551
Property, plant and equipment	8	17,844	10,855
<b>TOTAL NON-CURRENT ASSETS</b>		<u>116,149</u>	<u>62,406</u>
<b>TOTAL ASSETS</b>		<u>3,124,522</u>	<u>1,966,135</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	9	1,681,965	155,049
Taxation liabilities	10	174,343	74,960
Employee provisions	11	125,150	66,737
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,981,458</u>	<u>296,746</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	11	10,256	8,983
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>10,256</u>	<u>8,983</u>
<b>TOTAL LIABILITIES</b>		<u>1,991,714</u>	<u>305,729</u>
<b>NET ASSETS</b>		<u>1,132,808</u>	<u>1,660,406</u>
<b>EQUITY</b>			
Accumulated funds		1,131,208	1,658,806
Reserves	17	1,600	1,600
<b>TOTAL EQUITY</b>		<u>1,132,808</u>	<u>1,660,406</u>

The accompanying notes form part of these financial statements.

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Accumulated Surplus		Reserves		Total \$
		Restricted funds \$	Unrestricted funds \$	Harold Webber Memorial Fund \$	Pre incorporation reserve \$	
<b>Balance at 1 July 2017</b>		1,591,001	705,536	2,270	1,600	2,300,407
<b>Comprehensive Income</b>						
Excess of revenue over expenses		(699,352)	59,351			(640,001)
Other amounts transferred (to) or from reserves		2,270		(2,270)		-
<b>Balance at 30 June 2018</b>		893,919	764,887	-	1,600	1,660,406
Adjustment upon adoption of accounting standard AASB15	1(q)	(893,919)				(893,919)
<b>Balance at 1 July 2018 (restated)</b>		-	764,887		1,600	766,487
<b>Comprehensive Income</b>						
Excess of revenue over expenses			366,321			366,321
<b>Balance at 30 June 2019</b>		-	1,131,208	-	1,600	1,132,808

For a description of each reserve, refer to Note 17.

The accompanying notes form part of these financial statements.

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Commonwealth, State and Local Government grants		8,284,431	2,973,291
Receipts from donations, bequests and raffles		1,269,142	1,454,068
Payments to suppliers and employees		(7,821,352)	(5,399,247)
Interest received		16,092	7,714
Net cash generated from operating activities	15	<u>1,748,313</u>	<u>(964,174)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(15,456)	(8,038)
Payment for held-to-maturity investments		(46,754)	(39,870)
Net cash used in investing activities		<u>(62,210)</u>	<u>(47,908)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		1,686,103	(1,012,082)
Cash on hand at beginning of the financial year		1,322,270	2,334,352
Cash on hand at end of the financial year	4	<u><u>3,008,373</u></u>	<u><u>1,322,270</u></u>

The accompanying notes form part of these financial statements.

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

The financial statements cover Action on Poverty Limited as an individual entity, incorporated and domiciled in Australia. Action on Poverty Limited is a company limited by guarantee.

The financial statements were authorised for issue on 31st October 2019 by the directors of the company.

**Note 1            Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, the Charitable Fundraising Act 1991 and the Australian Council for International Development Code of Conduct (ACFID) financial reporting format. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**(a) Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Action on Poverty Limited receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

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 from the rendering of a service is recognised upon the delivery of the service to the customer.

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

**(b) Property, Plant and Equipment**

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

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	17-27%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**(c) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(d) Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(e) Employee Provisions**

**Short-term employee provisions**

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

**Other long-term employee provisions**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

**(f) 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.

**(g) Accounts receivable and other debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(i) 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*.

**(j) Foreign currency translation**

Transactions in foreign currencies are initially recorded by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on translation are recognised in the statement of comprehensive income.

**(k) Provisions**

Provisions are recognised when the entity 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 the end of the reporting period.

**(l) Comparative Figures**

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

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

**(m) Accounts Payable and Other Payables**

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

**(n) Unspent Project Funds**

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. Unspent project funds are recognised as liabilities to reflect the obligation to repay any unspent portion at the completion of the program.

**(o) Critical Accounting Estimates and Judgements**

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

**Key Judgements**

*(i) Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

**(p) Economic Dependence**

Action on Poverty Limited is dependent on Federal and State government departments for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the departments will not continue to support Action on Poverty Limited.

**(q) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The directors have decided not to early adopt the following new and amended pronouncements.

**Impact of Standards Issued But Not Yet Applied by the Entity**

As at the reporting date, the directors have concluded that the impact of AASB 16 would not be material on the financial statements.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

The entity has chosen not to early-adopt AASB 16. However, the Entity has conducted a preliminary assessment of the impact of this new Standard, as follows.

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A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees as the standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new standard. There are however two exceptions allowed being short-term and low-value leases.

**Basis of preparation**

The accounting for the entity's operating leases will be primarily affected by this new Standard.

AASB 16 will be applied by the entity from its mandatory adoption date of 1 July 2019. The entity's net surplus after tax is not expected to be materially affected in 2020.

**(r) New and Amended Accounting Policies Adopted by the Company**

As at the reporting date, the directors have concluded that the impact of AASB 1058 and AASB 15 will have a material affect on the financial statements.

- AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019) and AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019)

The entity has chosen to early-adopt AASB 1058 and AASB 15. However, the entity has conducted a high-level assessment of the impact of these new Standards, as follows.

A core change of AASB 1058 and AASB 15 is that it shifts the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. AASB 1058 is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the 'related amount' (being contributions by owners, increases in liabilities, decreases in assets and revenue arising from a contract with a customer in accordance with AASB 15\*) should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.

\*AASB 15 applies where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations which results in income being recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. AASB 15 introduced a 5-step approach to revenue recognition which is far more prescriptive than AASB 118.

**Basis of preparation**

AASB 15 and AASB 1058 has been be applied by the entity from 1 July 2018. The modified transition approach will be the chosen approach, and thus the comparative amounts for the year prior to first adoption will not be restated and the entity will recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application (1 July 2018) which is \$893,919.

The income recognition for each grant has been assessed on a high-level basis to determine whether it is enforceable and whether its performance obligations are sufficiently specific. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise.

Following the adoption of this new Standard, the entity's net profit is expected to decrease by approximately \$585,855 in 2019 and contract liabilities to increase by \$1,479,774.

**Note 2 Revenue and Other Income**

	2019	2018
	\$	\$
<b>Revenue</b>		
— Donations & gifts		
- Monetary	1,269,142	1,454,068
- Non monetary	7,960	61,745
— Grants		
- Department of Foreign Affairs and Trade	2,647,150	2,206,808
- Other Australian	5,314,147	1,015,743
- Other overseas	543,823	39,054
— Investment income	16,092	7,714
— Other Income	19,032	32,324
— Commercial activities income	80,739	17,157

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<b>Total revenue and other income</b>		9,898,085	4,834,613
<b>Note 3</b>	<b>Audit Remuneration</b>		
		2019	2018
		\$	\$
	Auditor fees		
	— Audit services	7,400	7,400
	— Audit services - Vietnam office	3,700	3,200
	— Other services	500	800
	Total Audit Remuneration	11,600	11,400
<b>Note 4</b>	<b>Cash and Cash Equivalents</b>		
		2019	2018
		\$	\$
	CURRENT		
	Cash at bank	1,908,847	942,986
	Cash on hand	175	257
	Cash on hand and at bank - Vietnam	732,142	318,009
	Cash on deposit	367,209	61,018
	Total cash and cash equivalents as stated in the statement of financial position	3,008,373	1,322,270
	Total cash and cash equivalents as stated in the cash flow statement	3,008,373	1,322,270
<b>Note 5</b>	<b>Accounts Receivable and Other Debtors</b>		
		2019	2018
		\$	\$
	CURRENT		
	Accounts receivable	-	573,459
	Provision for impairment	-	-
	Total current accounts receivable and other debtors	-	573,459
<b>Note 6</b>	<b>Other Current Assets</b>		
		2019	2018
		\$	\$
	Prepayments	-	8,000
		-	8,000
<b>Note 7</b>	<b>Financial Assets</b>		
		2019	2018
		\$	\$
	NON-CURRENT		
	Term deposits	98,305	51,551
	Total non-current assets	98,305	51,551
	NON-CURRENT		
a.	Available-for-sale financial assets		
	Interests are held in the following subsidiaries:		
		Share	Ownership Interest
			Carrying Amount of
			2019
			2018
	Name	Principal Activity	Country of Incorporation
	Comdev International Pty Ltd	Dormant	Australia
		200	100%
		100%	100%
		-	-
	Comdev International Pty Ltd has no assets and no liabilities.		
		2019	2018
		\$	\$
b.	Fixed interest securities		
	Term deposits	98,305	51,551
		98,305	51,551
	The deposits are used as security for property leases.		

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**Note 8 Property, Plant and Equipment**

	2019	2018
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	117,470	102,014
Less accumulated depreciation	(99,626)	(91,159)
	17,844	10,855

**Movements in Carrying Amounts**

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

	Plant and Equipment	Total
	\$	\$
<b>2018</b>		
Balance at the beginning of the year	14,818	14,818
Additions at cost	8,038	8,038
Depreciation expense	(12,386)	(12,386)
Foreign exchange movement	385	385
Carrying amount at the end of the year	10,855	10,855
<b>2019</b>		
Balance at the beginning of the year	10,855	10,855
Additions at cost	15,456	15,456
Depreciation expense	(8,801)	(8,801)
Foreign exchange movement	334	334
Carrying amount at the end of the year	17,844	17,844

**Note 9 Accounts Payable and Other Payables**

	2019	2018
	\$	\$
<b>CURRENT</b>		
Other current payables	202,191	155,049
Unspent project funds	1,479,774	-
	1,681,965	155,049

**Note 10 Taxation Liabilities**

	2019	2018
	\$	\$
<b>CURRENT</b>		
GST & PAYG liabilities	174,343	74,960
Total tax liabilities	174,343	74,960

**Note 11 Employee Provisions**

	2019	2018
	\$	\$
<b>CURRENT</b>		
Provision for employee benefits: annual leave	98,266	42,710
Provision for employee benefits: long service leave	26,884	24,027
	125,150	66,737
<b>NON-CURRENT</b>		
Provision for employee benefits: long service leave	10,256	8,983
	10,256	8,983
	135,406	75,720
<b>Analysis of total provisions:</b>	Employee Benefits	Total
Opening balance at 1 July 2018	75,720	75,720
Additional provisions raised during the year	59,686	59,686
Amounts used	-	-
Balance at 30 June 2019	135,406	135,406

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**Provision for employee benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**Note 12 Capital and Leasing Commitments**

<b>(a) Operating Lease Commitments</b>	2019	2018
Payable – minimum lease payments:	\$	\$
— not later than 12 months	389,639	227,646
— between 12 months and five years	294,505	161,790
Minimum lease payments	<u>684,144</u>	<u>389,436</u>
	<u>684,144</u>	<u>389,436</u>

**Note 13 Events After the Reporting Period**

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the entity.

**Note 14 Related Party Transactions**

**Other Related Parties**

The entity operates a project office in Vietnam to assist in the entity's principal activities. The project office is under the control of the entity and is consolidated into this financial report. In addition the project office prepares separate financial statements which are audited.

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

**Note 15 Cash Flow Information**

	2019	2018
	\$	\$
<b>a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus</b>		
Net current year surplus	366,321	(637,731)
Adjustment for:		
Depreciation and amortisation expense	8,801	12,386
Foreign exchange loss/(gain) on translation	(334)	(385)
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	573,459	(557,266)
Increase/(decrease) in accounts payable and other payables	1,526,916	132,055
(Increase)/decrease in other current assets	8,000	(8,000)
Increase/(decrease) in employee provisions	59,686	25,138
Increase/(decrease) in tax liability	99,383	71,899
Transfer (to)/from reserves	-	(2,270)
Adjustment upon adoption of accounting standard AASB15	(893,919)	-
	<u>1,748,313</u>	<u>(964,174)</u>

**Note 16 Financial Risk Management**

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

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

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	Note	2019 \$	2018 \$
<b>Financial assets</b>			
Financial assets at fair value through profit or loss:			
Financial assets at amortised cost:			
— cash and cash equivalents	4	3,008,373	1,322,270
— accounts receivable and other debtors	5	-	573,459
— term deposits	7	98,305	51,551
<b>Total financial assets</b>		<b>3,106,678</b>	<b>1,947,280</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
— Accounts payable and other payables	9	1,681,965	155,049
— Taxation liabilities	10	174,343	74,960
<b>Total financial liabilities</b>		<b>1,856,308</b>	<b>230,009</b>

**Financial Risk Management Policies**

The finance committee is responsible for monitoring and managing the entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

**(a) Liquidity risk**

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

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

**(b) Market Risk**

**i. Interest rate risk**

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

**ii. Foreign currency risk**

The Company has cash and cash equivalents predominantly held in VND, USD and EUR. Foreign currency is held to fund commitments in those currencies.

**Note 17 Accumulated funds and Reserves**

	2019 \$	2018 \$
(a) Pre incorporation reserve	1,600	1,600
	1,600	1,600

**Note 18 Information - Charitable Fundraising Act 1991**

The following information is a requirement of the Charitable Fundraising Act 1991.

	2019 \$	2018 \$
<b>a. Details of Aggregate Gross Income and Total Expenditure of Fundraising Appeals</b>		
Gross income		
Functions & Special Events	0	8,758
Program Donations - Australia	1,166,225	1,339,808
Program Donations - Overseas	102,917	114,260
Gross Proceeds from Fundraising Appeals	1,269,142	1,462,826

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Expenditure		
Public	101,928	134,988
Direct Costs of Fundraising Appeals	<u>101,928</u>	<u>134,988</u>
Net Surplus from Fund Raising Appeals	<u>1,167,214</u>	<u>1,327,838</u>

**b.Statement showing how funds received are applied for Charitable Purposes**

Net Surplus obtained from Fundraising Appeals	1,167,214	1,327,838
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Applied for Charitable Purposes as follows:

Funds to international programs	8,585,281	4,617,411
International program support costs	479,113	427,166
Government, multilateral and private fundraising costs	15,844	14,192
Administration	268,859	271,543
Total Expenditure	<u>9,349,097</u>	<u>5,330,312</u>
Surplus/(Shortfall)	<u>(8,181,883)</u>	<u>(4,002,474)</u>

The shortfall is made up from grants, investment income, commercial activities income and other income

Comparison by Monetary Figures & Percentages

Gross Income from fundraising appeals	1,269,142	1,462,826
Total direct cost of fundraising appeals	101,928	134,988
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	8.03%	9.23%
Net surplus from fundraising appeals	1,167,214	1,327,838
Net surplus from fundraising as a percentage of gross income from fundraising appeals	91.97%	90.77%
Total cost of direct services	8,585,281	4,617,411
Total expenditure (excluding direct cost of fundraising appeals)	9,349,097	5,330,312
Total cost of direct services as a percentage of total expenditure	91.83%	86.63%
Total Income received (including net profit from fundraising appeals)	9,898,085	4,834,613
Total cost of direct services as a percentage of total income received	86.74%	95.51%

**ACTION ON POVERTY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**Note 19 Information furnished under the ACFID Code of Conduct**

**(a) Revenue (expenditure) for international political or religious adherence promotion programs**

No revenue was earned nor expenditure incurred for the year on international political or religious prosthetytisation programs.

**Note 20 Entity Details**

The registered office of the entity is:

Action on Poverty Limited  
Suite 102, Level 1  
619 Pacific Highway  
St Leonards, NSW, 2065

The principal place of business is:

Action on Poverty Limited  
Suite 102, Level 1  
619 Pacific Highway  
St Leonards, NSW, 2065

**Note 21 Members' Guarantee**

The entity is limited by guarantee. If the entity is wound up, the constitution does not require any members to contribute towards meeting any outstandings and obligations of the entity. At 30 June 2019 the number of members was 12 (2018:13).

**ACTION ON POVERTY LIMITED**  
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**DIRECTORS' DECLARATION**

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

In accordance with a resolution of the Directors of Action on Poverty Limited, the directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 10 to 23, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2019 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director



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**John Kell**

Dated this 31st October 2019



**HOUSTON & CO Pty Limited**  
Chartered Accountant

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**ACTION ON POVERTY LIMITED**  
**ABN: 42 002 568 005**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ACTION ON POVERTY LIMITED**

**Opinion**

We have audited the financial report of Action on Poverty Limited (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- i. giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards 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 registered entity in accordance with the auditor independence requirements of the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ACTION ON POVERTY LIMITED**

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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.

*Opinion*

In our opinion, the financial report of Action on Poverty Limited is in accordance with Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012.

***Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015***

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining and understanding of the internal control structure for fundraising appeal activities and examination, on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

*Opinion*

In our opinion, the financial report of Action on Poverty Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2019, in all material respects, in accordance with:

- a sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
- b sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015

**ACTION ON POVERTY LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ACTION ON POVERTY LIMITED**

***Report on the Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report (the Report)***

We have audited the Report of the Company, which comprises the statement of financial position as on 30 June 2019 and the income statement, statement of comprehensive income, statement of changes in equity for the year ended on the date and the directors declaration. The directors of the Company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct. Our responsibility is to express an opinion on the Report based on our audit conducted in accordance with the Australian Auditing Standards.

*Opinion*

In our opinion, The Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of The Action on Poverty Limited for the year ended 30 June 2019 complies with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct.

Auditor's name and signature: Owen Houston



Name of firm: Houston & Co Pty Limited

Address: Suite 4, 113 Willoughby Road  
Crows Nest, NSW, 2065

Dated this 31st October 2019