

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

**Financial Report For The Year Ended
30 June 2017**

HOUSTON & CO PTY LTD

Chartered Accountant

The Australian Foundation For The Peoples Of Asia And The Pacific Limited

ABN: 42 002 568 005

Financial Report For The Year Ended 30 June 2017

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**THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE
PACIFIC LIMITED**

AS AT 30TH JUNE 2017

Director's report

The directors present their report together with the financial report of the Australian Foundation for the Peoples of Asia and the Pacific Limited ('the Company') for the year ending 30th June 2017 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 23/11/16

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

Dr Angeline Low, appointed 26/10/2009, Vice Chair appointed 23/11/16

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, Treasurer appointed 23/11/16

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

John Rock AM, Director – appointed 15/11/2001

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

Prof. Jock Harkness, Director appointed 27/11/1997,

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

Mrs Allyson Goodman, Director – appointed 2/8/2017

Chartered Company Secretary, CPA Australia, Masters of Business Administration

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

AS AT 30TH JUNE 2017

Name	Date of Appointment to AOP	Years of experience as the Director of any Company
John Rock	15/11/2001	26 years
A/Prof. Dr Jock Harkness	27/11/1997	20 years
Dr Angeline Low	3/8/2009	25 years
Mr David A Brett	6/4/2011	6 years
Mr Denis Wolff	5/11/2012	5 years
John Kell	18/2/2015	18 Years
Jeanneste Sutanto	13/4/2016	18 months
Allyson Goodman	02/08/2017	0 months

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
Jeanneste Sutanto	6	6
John Rock	6	3
Jock Harkness	6	5
David Brett	6	6
Angeline Low	6	4
Denis Wolff	6	4

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

AS AT 30TH JUNE 2017

Principal Activities

Action on Poverty's (AOP) work is targeted on programs that are aimed at alleviating poverty in developing countries. AOP works in partnership with local organisations that are independent agencies employing local professionals. AOP takes a rights-based approach to poverty reduction and works towards addressing the underlying causes of poverty, not only the direct effects of it.

AOP 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 our programs.

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

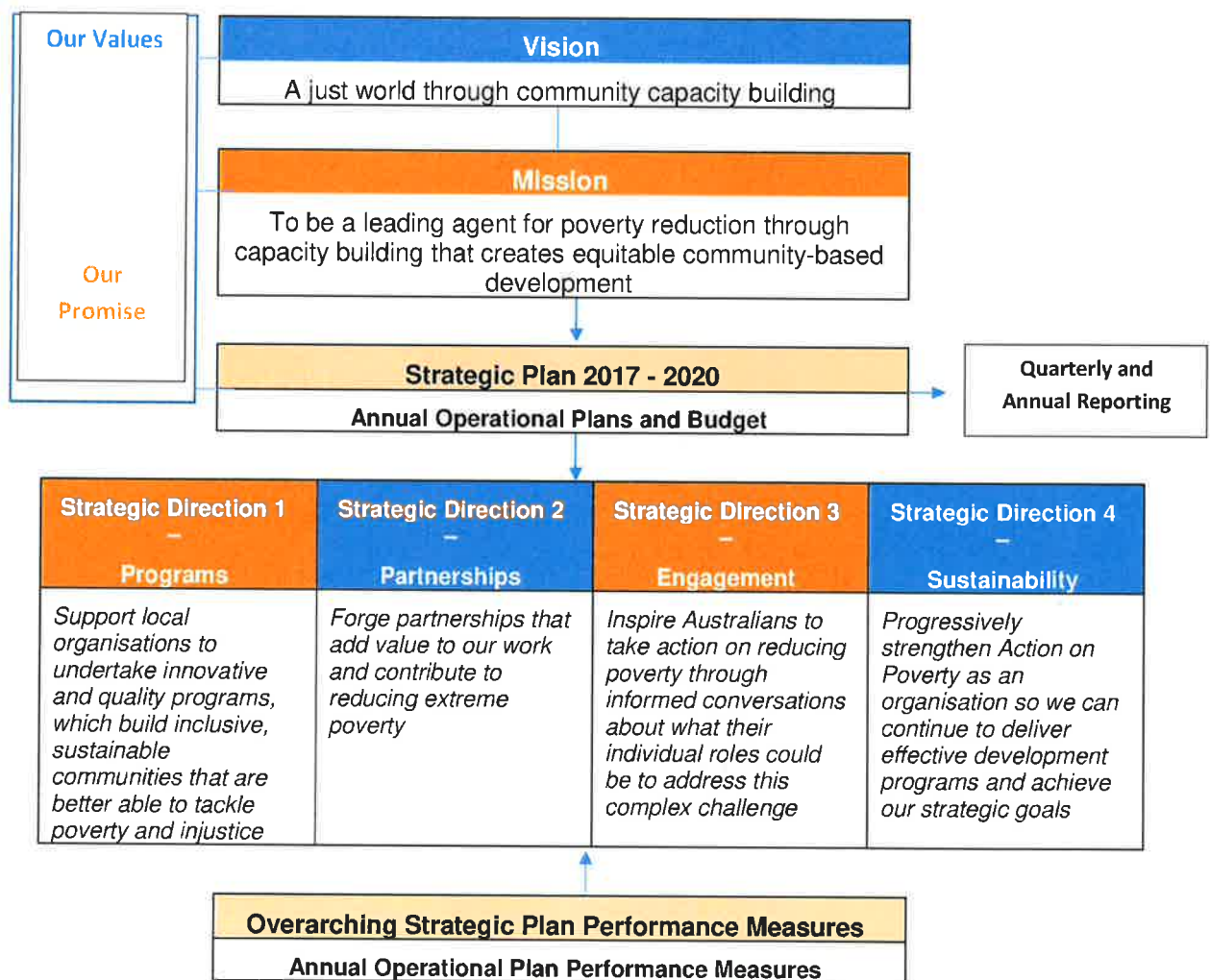
- Food Security
- Livelihoods and Economic Empowerment
- Environmental management, and building resistance to the effects of climate change
- Governance, social accountability and inclusion
- Health
- Water and Sanitation

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

AS AT 30TH JUNE 2017

Short-term and Long- term Objectives

STRATEGIC PLANNING FRAMEWORK



THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

AS AT 30TH JUNE 2017

OTHER PLANS AND POLICIES

The Strategic Planning Framework is supported by Action on Poverty'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.

OUR STRATEGIC DIRECTIONS

Action on Poverty 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.

Over the next four years, AOP will aim to continue to build on the success of the past with a view to grow in a way that is sustainable and effective. We want to keep building the AOP community to positively impact more people.

While we are already known for our effective partnerships, we will increasingly focus on enabling local organisations to make positive change in their own communities – the most effective use of our limited resources. To do this, we will refine our key messages about who we are and what we do, while continuing to deliver results – to the people in the countries where we work, our donors, our partners, and our own staff.

Review and results of operations

**THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE
PACIFIC LIMITED**

AS AT 30TH JUNE 2017

The excess of revenue over disbursements amounts to (\$179,636) 2016 \$149,807

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 (2016:\$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

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

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.

**THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE
PACIFIC LIMITED**


AS AT 30TH JUNE 2017

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


A handwritten signature in dark ink, appearing to read 'John Kell', is written over a horizontal line.

DIRECTOR - Chairman



HOUSTON & CO Pty Limited
Chartered Accountant

Owen Houston CA

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THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE AUSTRALIAN FOUNDATION FOR
THE PEOPLES OF ASIA AND THE PACIFIC LIMITED**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Australian Foundation for the Peoples of Asia and the Pacific Limited, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012; 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 10th November 2017

Address Suite 4 113 Willoughby Road
Crows Nest NSW 2065

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED
ABN: 42 002 568 005
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Donations & gifts			
- Monetary		6,275,434	6,514,329
- Non monetary		55,139	51,813
Grants			
- Department of Foreign Affairs and Trade		1,920,745	2,903,344
- Other Australian		278,263	634,877
- Other Overseas		219,958	254,583
Investment income		7,221	38,997
Commercial activities income		5,726	11,265
Other Income		202	27,039
Revenue for International Political or Religious Adherence Promotion Programs		-	-
Total Revenue		<u>8,762,688</u>	<u>10,436,247</u>
Expenditure			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to International Programs		(7,964,714)	(9,213,128)
- Program Support Costs		(482,015)	(479,783)
Fundraising costs			
- Public		(133,981)	(150,777)
- Government & multilateral and private		(12,470)	(6,221)
Accountability and Administration		(294,005)	(384,718)
Non Monetary Expenditure		<u>(55,139)</u>	<u>(51,813)</u>
Total International Aid and Development Programs Expenditure		(8,942,324)	(10,286,440)
International Political or Religious Adherence Promotion Programs Expenditure		-	-
Total expenditure		<u>(8,942,324)</u>	<u>(10,286,440)</u>
Excess/(shortfall) of revenue over disbursements		<u>(179,636)</u>	<u>149,807</u>

Note 1: ANNUAL FINANCIAL REPORT

This financial report is derived from the Company's annual statutory report for the year ended 30th June 2017 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

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

Non Monetary Expenditure can be broken down as follows:-

Professional pro bono Legal support	\$4,677
Professional pro bono HR support	\$3,570
Professional pro bono Consulting support	\$3,500
Professional pro bono Fundraising support	\$7,837
Professional pro bono IT support	\$22,400
Volunteers - Project support - 22 days	\$4,239
Volunteers - Fundraising Support - 46 days	\$8,916
	<u>\$55,139</u>

The accompanying notes form part of these financial statements.

Note 4: \$11,265 of other income disclosed in 2016 was reclassified as Commercial activities income.

**THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC
LIMITED**

ABN: 42 002 568 005

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,334,352	2,563,844
Trade and other receivables	5	16,193	13,135
TOTAL CURRENT ASSETS		<u>2,350,545</u>	<u>2,576,979</u>
NON-CURRENT ASSETS			
Other financial assets	6	11,681	10,757
Property, plant and equipment	7	14,818	25,539
TOTAL NON-CURRENT ASSETS		<u>26,499</u>	<u>36,296</u>
TOTAL ASSETS		<u>2,377,044</u>	<u>2,613,275</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	22,994	50,242
Taxation liabilities	9	3,061	4,416
Employee provisions	10	43,598	72,137
TOTAL CURRENT LIABILITIES		<u>69,653</u>	<u>126,795</u>
NON-CURRENT LIABILITIES			
Employee provisions	10	6,984	6,437
TOTAL NON-CURRENT LIABILITIES		<u>6,984</u>	<u>6,437</u>
TOTAL LIABILITIES		<u>76,637</u>	<u>133,232</u>
NET ASSETS		<u>2,300,407</u>	<u>2,480,043</u>
EQUITY			
Reserves	16	3,870	3,870
Accumulated funds		2,296,537	2,476,173
TOTAL EQUITY		<u>2,300,407</u>	<u>2,480,043</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED
ABN: 42 002 568 005
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	Accumulated Surplus		Reserves		Total
		Restricted funds	Unrestricted funds	Harold Webber Memorial Fund	Pre incorporation reserve	
		\$	\$	\$		\$
Balance at 1 July 2015		1,874,938	451,428	2,270	1,600	2,330,236
Adjustments or changes in equity						
Other comprehensive income for the year						-
Excess of revenue over expenditure		(59,136)	208,943			149,807
Other amounts transferred (to) or from reserves						-
Balance at 30 June 2016		1,815,802	660,371	2,270	1,600	2,480,043
Adjustments or changes in equity						
Other comprehensive income for the year						
Excess of revenue over expenditure		(224,801)	45,165			(179,636)
Other amounts transferred (to) or from reserves						
Balance at 30 June 2017		1,591,001	705,536	2,270	1,600	2,300,407

For a description of each reserve, refer to Note 16.

The accompanying notes form part of these financial statements.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED
ABN: 42 002 568 005
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, State and Local Government grants		2,641,307	3,835,049
Receipts from donations, bequests and raffles		6,275,434	6,676,735
Payments to suppliers and employees		(9,150,038)	(11,644,265)
Interest received		7,221	38,997
Net cash generated from operating activities	14	<u>(226,076)</u>	<u>(1,093,484)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of held-to-maturity investments		-	1,683
Payment for property, plant and equipment		(2,492)	(3,340)
Payment for held-to-maturity investments		(924)	-
Net cash used in investing activities		<u>(3,416)</u>	<u>(1,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		(229,492)	(1,095,141)
Cash on hand at beginning of the financial year		2,563,844	3,658,985
Cash on hand at end of the financial year	4	<u><u>2,334,352</u></u>	<u><u>2,563,844</u></u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The financial statements cover The Australian Foundation For The Peoples Of Asia And The Pacific Limited as an individual entity, incorporated and domiciled in Australia. The Australian Foundation For The Peoples Of Asia And The Pacific Limited is a Company limited by guarantee.

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 accruals 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.

The financial statements were authorised for issue on 10th November 2017 by the directors of the Company.

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 it 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.

The Australian Foundation For The Peoples Of Asia And The Pacific Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a 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 comprehensive income.

Donations and bequests are recognised as revenue in the statement of comprehensive income when the Company gains control of the contribution or the right to receive the contribution. Unspent restricted donations are shown as restricted reserves.

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 (GST).

(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.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 the statement of comprehensive income 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 the statement of comprehensive income 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:

Class of Fixed Asset	Depreciation Rate
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 or expense in statement of comprehensive income 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 values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued 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.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(e) **Employee Provisions**

Short-term employee provisions

Provision is made for the Company'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. 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 employee benefits 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 government 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 the statement of comprehensive income as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Company 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 provisions.

(f) **Cash and cash equivalents**

Cash on hand 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(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).

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 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 Company 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 comparative period in addition to the minimum comparative financial statements must be disclosed.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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 Company 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) Unexpended Grants

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. Unexpended grants are recognised as liabilities to reflect the obligation to repay any unspent portion at the completion of the program.

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 Company.

Key Judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) 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 services. The Company expects most employees will take their employee benefits within 12 months of the reporting period in which they were earned.

(p) Economic Dependence

The Australian Foundation For The Peoples Of Asia And The Pacific Limited is dependent upon receiving future donations and grants to operate the business.

Note 2 Revenue and Other Income

	2017	2016
	\$	\$
Revenue		
— Donations & gifts		
- Monetary	6,275,434	6,514,329
- Monetary - overseas	-	-
- Non monetary	55,139	51,813
— Legacies & bequests	-	-
— Grants		
- Department of Foreign Affairs and Trade	1,920,745	2,903,344
- Other Australian	278,263	634,877
- Other Overseas	219,958	254,583
— Investment income	7,221	38,997
— Other Income	202	27,039
— Revenue for International or Religious Adherence Promotion Programs	-	-
— Commercial activities income	5,726	11,265
Total revenue and other income	8,762,688	10,436,247

Note 3 Audit Remuneration

	2017	2016
	\$	\$
Auditor fees		
— Audit services	7,400	7,200
— Audit services - Vietnam office	3,200	3,200
Total Audit Remuneration	10,600	10,400

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 4 Cash and cash equivalents

	2017 \$	2016 \$
CURRENT		
Cash at bank	1,836,537	1,969,325
Cash float	1,041	484
Cash on hand and at bank - Vietnam	437,081	535,054
Cash on deposit	59,693	58,981
Total cash and cash equivalents as stated in the statement of financial position	<u>2,334,352</u>	<u>2,563,844</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>2,334,352</u>	<u>2,563,844</u>

Note 5 Accounts Receivable and Other Debtors

	Note	2017 \$	2016 \$
CURRENT			
Accounts receivable		4,323	12,813
Provision for doubtful debts	5(a)	-	-
		<u>4,323</u>	<u>12,813</u>
Other debtors		11,870	322
Total current accounts receivable and other debtors	15	<u>16,193</u>	<u>13,135</u>

(a) Provision for Doubtful Debts

Movement in the provision for doubtful debts is as follows:

	2017 \$	2016 \$
Balance at the beginning of the year	-	-
— Charge for year	-	-
Provision for doubtful debts	<u>-</u>	<u>-</u>

Note 6 Financial Assets

	Note	2017 \$	2016 \$
NON-CURRENT			
Fixed interest securities	6b	<u>11,681</u>	<u>10,757</u>
		<u>11,681</u>	<u>10,757</u>

NON-CURRENT

a. Available-for-sale financial assets

Interests are held in the following subsidiaries:

Name	Principal Activity	Country of Incorporation	Share	Ownership Interest*		Carrying Amount of Investment	
				2017 %	2016 %	2017 \$	2016 \$
Comdev International Pty Ltd	Dormant	Australia	200	100%	100%	-	-

Comdev International Pty Ltd has no assets and no liabilities.

b. Government and fixed interest securities

Deposits paid - bank guarantee	<u>11,681</u>	<u>10,757</u>
	<u>11,681</u>	<u>10,757</u>

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 7 Property, Plant and Equipment

	2017 \$	2016 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	94,876	52,533
Less accumulated depreciation	(80,058)	(26,994)
Total property, plant and equipment	<u>14,818</u>	<u>25,539</u>

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 \$
2016		
Balance at the beginning of the year	36,942	36,942
Additions at cost	3,340	3,340
Depreciation expense	(15,690)	(15,690)
Foreign exchange movement	947	947
Carrying amount at end of year	<u>25,539</u>	<u>25,539</u>
2017		
Balance at the beginning of the year	25,539	25,539
Additions at cost	2,492	2,492
Disposals	-	-
Depreciation expense	(12,562)	(12,562)
Foreign exchange movement	(651)	(651)
Carrying amount at end of year	<u>14,818</u>	<u>14,818</u>

Note 8 Accounts Payable and Other Payables

	2017 \$	2016 \$
CURRENT		
Other current payables	22,994	50,242
Unexpended grants	-	-
	<u>22,994</u>	<u>50,242</u>

Note 9 Taxation Liabilities

	2014 \$	2013 \$
CURRENT		
GST & PAYG Liability	3,061	4,416
Total tax liabilities	<u>3,061</u>	<u>4,416</u>

Note 10 Employee Provisions

	2017 \$	2016 \$
Employee Benefits		
Opening balance at 1 July 2016	78,574	59,125
Net additional amounts raised during the year	-	19,449
Net amounts used during the year	(27,992)	-
Balance at 30 June 2017	<u>50,582</u>	<u>78,574</u>

Analysis of Employee Provisions

	2017 \$	2016 \$
Current	43,598	72,137
Non-current	<u>6,984</u>	<u>6,437</u>
	<u>50,582</u>	<u>78,574</u>

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 Company 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 Company 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 11 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2017	2016
Payable – minimum lease payments	\$	\$
— not later than 12 months	24,578	73,733
— later than 12 months but not later than 5 years	44,626	12,507
— later than 5 years	-	-
	<u>69,204</u>	<u>86,240</u>

Note 12 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 Company.

Note 13 Related Party Transactions

Other Related Parties

The Company operates a project office in Vietnam to assist in the Company's principal activities. The project office is under the control of the Company 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 14 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

	2017	2016
	\$	\$
Surplus/(Deficit)	(179,636)	149,807
Non cash flows		
Depreciation and amortisation expense	12,562	15,690
Foreign exchange loss/(gain)	651	(7,623)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(3,058)	(9,006)
Increase/(decrease) in accounts payable and other payables	(27,248)	460,046
Increase/(decrease) in provisions for employee benefits	(27,992)	12,425
Increase/(decrease) in tax liability	(1,355)	26,692
	<u>(226,076)</u>	<u>648,031</u>

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 15 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 \$	2016 \$
Financial assets			
Cash on hand	4	2,334,352	2,563,844
Accounts receivable and other debtors	5	16,193	13,135
Held-to-maturity investments			
— investments in government and fixed interest securities	6	11,681	10,757
Total financial assets		2,362,226	2,598,493
Financial liabilities			
Financial liabilities at amortised cost			
— accounts payable and other payables	8(a)	19,933	45,826
— lease liabilities	9	3,061	4,416
Total financial liabilities		22,994	50,242

Financial Risk Management Policies

The Risk and Governance committee is responsible for monitoring and managing the Company's compliance with its risk management strategy and consists of senior Board members. The Risk and Governance committee's overall risk management strategy is to assist the Company in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Risk and Governance 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 Company 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 Company 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 analysis in relation to its operational, 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

The Company manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

ii. Foreign currency risk

The company's international program prepares local currency budgets. The company's commitments are limited to the Australian dollar equivalent to local currency budgets.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 16 Accumulated funds and Reserves

	2017	2016
	\$	\$
(a) Harold Webber Memorial Fund	2,270	2,270
This reserve is set aside for specific projects in the Pacific		
(b) Pre incorporation reserve	1,600	1,600
	<u>3,870</u>	<u>3,870</u>

(c) **Unrestricted funds**

Unrestricted funds are not restricted or designated for use in particular programs or some other defined or designated purpose. These funds are available to be allocated according to the discretion of the directors.

(d) **Restricted funds**

Restricted funds are tied to particular purposes specified by donors or as identified at the time of a public appeal.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 17 Information - Charitable Fundraising Act 1991

a. Details of Aggregate Gross Income and Total Expenditure of Fundraising Appeals	2017	2016
	\$	\$
Gross income		
Functions & Special Events	0	5,657
Program Donations - Australia	6,256,485	6,254,989
Program Donations - Overseas	18,949	23,020
Gross Proceeds from Fundraising Appeals	<u>6,275,434</u>	<u>6,283,666</u>
Expenditure		
Functions & Special Events	0	35
Program Donations	133,981	151,376
Cost of raising Government Grants	-	-
Cost of raising multilateral and private	12,470	10,335
Direct Costs of Fundraising Appeals	<u>146,451</u>	<u>161,746</u>
Net Surplus from Fund Raising Appeals	<u>6,128,983</u>	<u>6,121,920</u>

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

Net Surplus obtained from Fundraising Appeals	6,128,983	6,121,920
Applied for Charitable Purposes as follows:		
Expenditures on direct services		
Donated Funds to overseas projects	5,998,524	5,148,978
Donated Funds: Other Project Costs	141,127	231,962
Administration	294,005	364,911
Total Expenditure	<u>6,433,656</u>	<u>5,745,851</u>
Surplus/(Shortfall)	<u>-304,673</u>	<u>376,069</u>

Comparison by Monetary Figures & Percentages

Gross Income from fundraising appeals	6,275,434	6,283,666
Total direct cost of fundraising appeals	146,451	161,746
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	2.33%	2.57%
Net surplus from fundraising appeals	6,128,983	6,121,920
Net surplus from fundraising as a percentage of gross income from fundraising appeals	97.67%	97.43%
Total cost of direct services	5,998,524	5,148,978
Total expenditure (excluding direct cost of fundraising appeals)	6,433,656	5,745,851
Total cost of direct services as a percentage of total expenditure	93.24%	89.61%
Total Income received (including net profit from fundraising appeals)	6,128,983	6,121,920
Total cost of direct services as a percentage of total income received	97.87%	84.11%

Note 18 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 proselytisation programs.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 19 Entity Details

The registered office of the entity is:

The Australian Foundation For The Peoples Of Asia And The Pacific Limited
Suite 102 Level 1
619 Pacific Highway
St Leonards NSW 2065

The principal place of business is:

The Australian Foundation For The Peoples Of Asia And The Pacific Limited
Suite 102 Level 1
619 Pacific Highway
St Leonards NSW 2065

Note 20 Members' Guarantee

The entity is limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the entity. At 30 June 2017 the number of members was 30.

THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED
ABN: 42 002 568 005
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Australian Foundation For The Peoples Of Asia And The Pacific Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 25, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:
 - (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 Company as at 30 June 2017 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Director



John Kell

Dated this 10th November 2017



HOUSTON & CO Pty Limited
Chartered Accountant

Owen Houston CA

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THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED

ABN: 42 002 568 005

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AUSTRALIAN FOUNDATION FOR THE PEOPLES OF ASIA AND THE PACIFIC LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of The Australian Foundation For The Peoples Of Asia And The Pacific Limited, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility 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 material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Opinion

In our opinion, the financial report of The Australian Foundation For The Peoples Of Asia And The Pacific 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 2017 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.



HOUSTON & CO Pty Limited
Chartered Accountant

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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 The Australian Foundation For The Peoples Of Asia And The Pacific Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2017, in all material

- 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

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 2017 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 Australian Foundation For The Peoples Of Asia And The Pacific Limited for the year ended 30 June 2017 complies with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct.

Name of Firm: Houston & Co Pty Limited

Name of Partner Owen Houston
Address: 4/113 Willoughby Road, Crows Nest NSW 2065

Dated this 10th November 2017