

ActionAid Australia
(formerly Austcare)

ABN 87 001 251 930

Annual Financial Report
Year ended 31 December 2013

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ActionAid Australia Limited

Directors' Report

The directors present their report together with the financial report of ActionAid Australia Limited ("the Company" and "ActionAid Australia") for the year ended 31 December 2013 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the reporting period are:

Director	Qualifications & experience	Special responsibilities
The Hon John Dowd AO QC	LLB (Syd) Chancellor Southern Cross University Deputy President NSW Mental Health Tribunal President International Commission of Jurists Australia Former NSW Attorney General Former Supreme Court Judge	President Director from 28 April 2008 Appointed President 1 July 2009
Margaret Alston	LLB (Melbourne) Dip ED (Melbourne) Consultant Member St Vincent's Health Regional Advisory Council Melbourne Former Program Quality Advisor, Save the Children Australia Former Business Development Consultant, RMIT International Projects Former Program Director, Australian Volunteers International	Director from 16 June 2011 Appointed Vice-President 16 May 2012
Tuong Quang Luu AO	BA/LLB (Saigon) LLB (ANU) Barrister at law Part-time Director, National Australia Day Council Former Head of SBS Radio Former Director: The Australian Museum Trust, Refugee Council of Australia & MSTL Former Alternate Director PAN TV	Director from 8 February 2007 Resigned on 1 July 2013
Sonia Zavesky	Graduate, A.F.T.R.S. Director, Zavesky Consulting Former Head of Communications, Greenpeace Former Chief of Staff and Executive Producer, ABC News Radio Sydney Former news and current affairs journalist, ABC	Director from 4 November 2009
James Pyne	B.E. Hons (Syd) M.B.A. (Insead) Group Head of Sales - Coates Hire, Australia Former Executive - Brakes Foodservice Group (UK) Former Principal - Softbank Europe Venture Capital (UK) Former Strategy Consultant – LEK Consulting (Australia, New Zealand, France, The Philippines, UK)	Director from 25 November 2010 Resigned on 12 September 2013

ActionAid Australia Limited

Directors' Report (continued)

1. Directors' (continued)

Director	Qualifications & experience	Special responsibilities
Susan Brennan	BA/LLB (Hons), Barrister at Law Vice President, World YWCA and Former President, World YWCA	Director from 24 February 2011
Gordon Weiss	MA (Int. Relations, Security) Former OSCE official Former Global Emergencies Official (UNICEF) Former Spokesman (UN Sri Lanka) Author Journalist with The Global Mail	Director from 16 June 2011 Resigned on 19 November 2013
Thomas O'Connor	BA/LLB (Melb) Senior Programs Manager, Centre for Australian Progress Former CEO, the Oaktree Foundation	Director from 17 May 2012 Resigned on 19 July 2013
Maree Blake	GAICD, FCSA, FCPA B.Bus, Grad. Cert. in Management Various Non-Executive Directorship and Committee Positions Former ASIC Queensland Regional Commissioner Former partner of national accounting firm	Director from 22 November 2012
Nicci Dent	MFIA, HND Fashion Design Diploma in Fashion and Design 1984 BTEC in Art and Design National Fundraising Director The Heart Foundation Formerly Director of Fundraising MSF Various Fundraising roles with Amnesty International and the Wilderness Society	Director from 11 September 2013
James Goth	B.Ec University of Sydney LLB University of Sydney MBA, Insead Former Partner, Boston Consulting Group	Director from 30 January 2014

2. Company Secretary

Philip Archibald Law was appointed to the position of Company Secretary on 1 July 2009.

ActionAid Australia Limited Directors' Report (continued)

3. Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the year were:

	Board Meetings		Governance and Board Development/ Governance, Compliance and Risk Committees		Audit and Risk Management/Finance and Fundraising Committees	
	6 meetings held		6 meetings held		5 meetings held	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
The Hon John Dowd AO	6	4				
Margaret Alston	6	5	2	2	4	3
Tuong Quang Luu AO	3	3			4	4
Sonia Zavesky	6	4	6	6		
James Pyne	5	3			4	4
Susan Brennan	6	5	6	6		
Gordon Weiss	6	3			4	1
Thomas O' Connor	4	4	4	3		
Maree Blake	6	6			5	5
Nicci Dent	2	2			1	1

4. Principal objectives, strategy and activities

ActionAid Australia's mission is to work with poor and excluded people to eradicate poverty and injustice. The organisation conducts co-ordinated appeals, projects and campaigns to work towards ending the poverty and injustice experienced by poor and excluded people.

ActionAid Australia is striving for a poverty free planet. In doing so, we have defined our own unique identity and the focus of our work in our new strategy Changing the Rules 2012-2017. In order to maximise our contribution to the ActionAid International federation's work at the local, national and international level, the ActionAid Australia strategy is closely linked to the ActionAid International strategy "People's Action to End Poverty" that guides the federation's work from 2012 to 2017.

Drawing on the strengths of our organisation and an analysis of the context in which we will operate in the coming years, we commit ourselves to the primary objective of helping people to stand up, claim their human rights and actively challenge the prevailing growth driven development model which is based on an unjust global economic and political system. We have committed ourselves to three core mission objectives:

1. Enabling poor and excluded people, particularly women, to secure access to, and control over, the productive resources, and decision making processes essential to improving their livelihoods.
2. Protecting women's rights by preventing and responding to gender based violence against women during disasters and conflicts.
3. Encouraging Australians to challenge the status quo and critically evaluate how their lives and choices affect people living in poverty by tapping into positive values, beliefs and attitudes.

ActionAid Australia Limited Directors' Report (continued)

The full version of Changing the Rules, containing detailed activities for achieving the above objectives, is available on ActionAid Australia's website. ActionAid Australia's performance is regularly measured against the objectives and outcomes in Changing the Rules. The directors regularly receive a review of progress against each of the strategy's objectives.

5. Operating and financial review

ActionAid Australia's short-term financial strategy continues to focus on investment in the organisation's future stability and effectiveness by diversifying its income sources, enabling a significant long-term contribution to ActionAid projects overseas. Historically the bulk of ActionAid Australia's income has come from government grants, and although this income is expected to continue, the organisation is currently building public income in the form of monthly donations from long-term donors. Because the costs of building the relationships with long-term donors are incurred up-front, fundraising expenditure will be higher than normal in the short-term but will provide significant increases in public income over the medium to longer term.

ActionAid Australia recorded a small operating surplus for the year of \$7,103 (year ended 31 December 2012: deficit \$147,804). Additionally, a capital profit was realised on sale of the office building in the amount of \$3,018,577 (year ended 31 December 2012: \$Nil). Total operating revenue for the year was \$7,524,756 (year ended 31 December 2012: \$11,294,137) and total expenditure was \$7,517,653 (year ended 31 December 2012: \$11,441,941). The total surplus of \$3,025,680 resulted in a 136% increase in equity, which at 31 December 2013 was \$5,242,043 (31 December 2012: \$2,216,363). Cash balances at 31 December 2013 were increased by 102% to \$8,986,075 (31 December 2012: \$4,442,979).

Monetary public funds raised by ActionAid Australia totalled \$3,239,601 (year ended 31 December 2012: \$3,342,113), and AusAID and other grant income totalled \$3,960,747 (year ended 31 December 2012: \$6,854,279). Note that this excludes grants not yet disbursed which have been treated as deferred income and amount to \$3,158,440 (31 December 2012: \$2,366,875).

During the year, ActionAid Australia provided \$3,981,644 to projects working towards ending poverty in Africa, the Middle East and the Asia Pacific region (year ended 31 December 2012: \$6,965,135). \$716,744 was spent in Australia on supporting international projects (year ended 31 December 2012: \$767,290).

In line with ActionAid Australia's belief that the ability for poor and excluded people's ability to claim their rights is partially dependent on influencing the opinions of the Australian people and policy change in Australia, the Company's expenditure on Australian community education initiatives remained significant to \$442,498 (year ended 31 December 2012: \$637,131). The expenditures on fundraising for the year were \$1,288,966 (year ended 31 December 2012: \$2,068,477). Administration costs were \$894,968 (year ended 31 December 2012: \$874,602).

Significant changes in the state of affairs

There have not been any significant changes in the state of affairs during the year 2013 other than the sale of our office premises at 69-71 Parramatta Road Camperdown. As detailed above a capital profit was realised on sale.

6. 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 and unusual 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.

ActionAid Australia Limited Directors' Report (continued)

7. Likely developments

The directors believe that the need for working with poor and excluded people to eradicate poverty and injustice will not diminish in the foreseeable future, and as such the directors, staff and volunteers will continue to work towards a world without poverty in which every person can exercise their right to a life of dignity.

8. Liability of members on winding up

ActionAid Australia is a Company limited by guarantee, and was incorporated on 8 June 1978. In the event of the Company being wound up every member of the Company undertakes to contribute an amount of \$50. The total amount that members of the Company are liable to contribute if the Company is wound up is \$1,400 (31 December 2012: \$2,000).

9. Indemnification and insurance of officers and auditors

Indemnification

The Company has taken out a directors' and officers' insurance policy to indemnify all past and present directors and officers of the Company to another person (other than the Company) that may arise from their position as directors and officers of the Company, except where the liability arises out of conduct involving a lack of good faith. No claims were made during or since the period and there are no outstanding claims.

Insurance premiums

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

10. Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act is on page 6 of this financial report, and forms part of this report.

11. Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation. The directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any significant breaches of those environmental requirements as they apply to the Company.

This report is made with a resolution of the directors made pursuant to S298(2) of the Corporations Act 2001.



The Hon. John Dowd AO QC
President



Sonia Zavesky
Director

Dated at Sydney this 23rd day of May 2014

The Board of Directors
ActionAid Australia
69-71 Parramatta Rd
CAMPERDOWN, NSW, 2050

23 May 2014

Dear Board Members,

ActionAid Australia

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of ActionAid Australia.

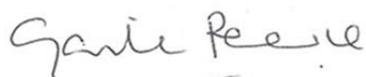
As lead audit partner for the audit of the financial statements of ActionAid Australia for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Pearce
Partner
Chartered Accountant

ActionAid Australia

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2013

	Note	Year ended 31 December 2013	Year ended 31 December 2012
		\$	\$
REVENUE			
OPERATING REVENUE			
Donations and gifts			
-Monetary		3,106,056	3,219,491
-Non-monetary	4	192,832	129,306
Bequests and legacies		133,545	122,622
Grants			
-AusAID		3,681,622	3,795,342
-Other Australian	5	183,244	20,651
-Other overseas		95,881	3,038,286
Investment income	6	53,652	68,226
Other income	7	77,924	900,213
Total operating revenue		7,524,756	11,294,137
OTHER GAINS			
Capital profit on sale of property		3,018,577	-
Total other gains		3,018,577	-
TOTAL REVENUE		10,543,333	11,294,137
EXPENDITURE			
International programs:			
- Funds to international programs	8	3,981,644	6,965,135
- Program support costs	8	716,744	767,290
Community education	8	442,498	637,131
Fundraising costs:			
- Public		1,264,878	1,999,432
- Government, multilateral & private		24,089	69,045
Accountability and administration	9	894,968	874,602
Non-monetary expenditure	4	192,832	129,306
Total International Aid and Development Programs Expenditure		7,517,653	11,441,941
TOTAL EXPENDITURE		7,517,653	11,441,941
Excess/(shortfall) of revenue over expenditure:			
- Operating excess/(shortfall) over expenditure	12	7,103	(147,804)
- Capital excess/(shortfall) over expenditure	12	3,018,577	-
TOTAL EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		3,025,680	(147,804)
Other comprehensive income		-	-
Total comprehensive income/(loss)		3,025,680	(147,804)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 11 – 31.

ActionAid Australia

Statement of Changes in Equity

For the year ended 31 December 2013

	Note	Retained earnings	Restricted funds reserves	Unrestricted funds reserves	Total undistributed funds
		\$	\$	\$	\$
Opening balance at 1 January 2012		1,340,805	973,362	50,000	2,364,167
Surplus/(deficit)		(147,804)	-	-	(147,804)
Total comprehensive income		(147,804)	-	-	(147,804)
Transfers to/(from) restricted reserves	13	168,843	(168,843)	-	-
Closing balance at 31 December 2012		1,361,844	804,519	50,000	2,216,363
		Retained earnings	Restricted funds reserves	Unrestricted funds reserves	Total undistributed funds
		\$	\$	\$	\$
Opening balance at 1 January 2013		1,361,844	804,519	50,000	2,216,363
Surplus/(deficit)	12	3,025,680	-	-	3,025,680
Total comprehensive income		3,025,680	-	-	3,025,680
Transfers to/(from) restricted reserves:					
- Capital reserve		(3,018,577)	3,018,577	-	-
- Other restricted reserves		(117,925)	117,925	-	-
Other amounts transferred to/(from) reserves	13	(3,136,502)	3,136,502	-	-
Closing balance at 31 December 2013		1,251,022	3,941,021	50,000	5,242,043

During the year ended 31 December 2013, ActionAid Australia had no transactions in the following categories specified in the ACFID Code of Conduct: adjustments or changes in equity due to adoptions of new accounting standards, changes in equity from changes in asset fair value transactions, or other. *The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 11 - 31.*

ActionAid Australia

Statement of Financial Position

As at 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	8,986,075	4,442,979
Trade and other receivables	15	212,180	446,530
Total current assets		<u>9,198,255</u>	<u>4,889,509</u>
Non-current assets			
Property, plant and equipment	16	52,485	575,113
Total non-current assets		<u>52,485</u>	<u>575,113</u>
Total assets		<u>9,250,740</u>	<u>5,464,622</u>
LIABILITIES			
Current liabilities			
Trade and other payables	17	694,238	290,475
Borrowings	18	-	83,836
Provisions - employee benefits	19	130,466	143,700
Other - deferred revenue	20	3,158,440	2,366,875
Total current liabilities		<u>3,983,144</u>	<u>2,884,886</u>
Non-current liabilities			
Borrowings	18	-	318,579
Provisions - employee benefits	19	25,553	44,794
Total non-current liabilities		<u>25,553</u>	<u>363,373</u>
Total liabilities		<u>4,008,697</u>	<u>3,248,259</u>
Net assets		<u>5,242,043</u>	<u>2,216,363</u>
EQUITY			
Restricted funds capital reserve		3,018,577	-
Restricted funds other reserves		922,444	804,519
Unrestricted funds reserves		50,000	50,000
Retained earnings		1,251,022	1,361,844
Total equity		<u>5,242,043</u>	<u>2,216,363</u>

The Statement Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 11 - 31.

At 31 December 2013, ActionAid Australia had no balances in the following categories specified in the ACFID Code of Conduct: inventories, assets held for sale, other financial assets, non-current trade and other receivables, investment property, intangibles, other non-current asset, current tax liabilities, other financial liabilities or other non-current liabilities.

ActionAid Australia

Statement of Cash Flows

For the year ended 31 December 2013

	Note	Year ended 31 December 2013	Year ended 31 December 2012
		\$	\$
Cash flows from operating activities			
Cash receipts from appeals, donations & fundraising activities		3,239,601	3,342,113
Cash receipts from AusAID grants		5,144,811	3,642,254
Cash receipts from other grants		75,211	(203,241)
Proceeds from other activities		72,395	900,604
Interest received		53,652	68,226
Cash payments to suppliers and employees		(2,010,052)	(3,608,037)
Cash payments for project expenditure		(5,140,886)	(8,369,555)
Net cash provided by/(used in) operating activities	22	1,434,732	(4,227,636)
Cash flows from investing activities			
Proceeds from sale of non-current assets		3,528,531	-
Proceeds from investment		-	200,000
Payments for property, plant and equipment		(17,752)	(2,532)
Net cash provided by/(used in) investing activities		3,510,779	197,468
Cash flows from financing activities			
Proceeds from borrowings		-	402,415
Repayment of borrowings		(402,415)	-
Net cash provided by/(used in) financing activities		(402,415)	402,415
Net increase/(decrease) in cash and cash equivalents		4,543,096	(3,627,753)
Cash and cash equivalents at beginning of period		4,442,979	8,070,732
Cash and cash equivalents at end of period	14	8,986,075	4,442,979

Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 11-31.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

1 Reporting entity

ActionAid Australia (formerly Austcare) is a not-for-profit company incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the constitution of ActionAid Australia ("the Company"), every member of the Company undertakes to contribute an amount limited to \$50 per member in the event of the winding up of the Company.

The Company is primarily involved in ending the poverty and injustice experienced by poor, excluded and vulnerable people.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements do not comply with International Financial Reporting Standards (IFRSs) as the Company has adopted the exemptions allowed for not-for-profit organisations under AASB 101 Presentation of Financial Statements.

The financial report has also been prepared in accordance with the requirements set out in the Australian Council for International Development (ACFID) Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

The financial statements were approved by the Board of Directors on 31 March 2014.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The only estimates included in these financial statements relate to employee benefit provisions.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange gains or losses are recognised in the Accountability and Administration line item of the Statement of Profit or Loss and Other Comprehensive Income, apart from foreign exchange gains or losses on restricted funds which are applied to those funds where contractually required.

(b) Property, plant and equipment

(i) Owned assets

Items of property plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (c)). Where items within a class of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is charged on a straight line basis for all depreciable assets except furniture and fittings purchased on or before 30 June 2007, which are depreciated on a diminishing value basis over their estimated useful lives. Land is not depreciated. Depreciation rates applied range from 2.5% for buildings, 20% for motor vehicles and furniture and fittings to 33.3% for computer equipment and software.

(c) Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables and loans and borrowings.

(d) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through profit or loss.

The recoverable amount is the greater of fair value less costs to sell and value in use.

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each reporting date.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(d) Impairment (continued)

The recoverable amount of the Company's other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee Benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

(ii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the reporting date which have maturity dates approximating to the terms of the Company's obligations.

(iii) Wages, salaries and non-monetary benefits

Liabilities for employee benefits for wages and salaries that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

(iv) Annual leave

Annual leave is calculated using the same discounted calculation as described in (ii).

(f) Revenue recognition

Appeals and donations

ActionAid Australia is a non-profit organisation and receives significant income from donations. These amounts by their nature can only be recognised when they are received. Donations are recorded as income when they are received, though restricted donations are transferred to restricted reserves in accordance with the accounting policy outlined in Note 3(j) below.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(f) Revenue recognition (continued)

AusAID & Other Government Grants

The Company receives Federal Government funding for various programs. Where the funding is considered to be a non-reciprocal transfer, it is recognised as required by AASB 1004 once control passes to the company. Income is recognised in the Profit and Loss when the conditions set out in the grant agreement have been met and control passes. Funds received in advance of conditions being met are deferred and taken to income as the related expenses are incurred and conditions met.

Interest revenue

Interest is recognised as it is accrued, taking into account the effective yield on financial assets. Interest earned on AusAID grants is used to meet the obligations set out in the grant agreements.

Non-monetary donations and gifts

The value of volunteer services has been calculated in accordance with AusAID guidelines, by recording actual volunteer time donated and valuing it at rates provided by AusAID.

In-kind contributions, being non-reciprocal transfers, are calculated by reference to the fair value of the assets received when the Company gains control of the contribution, or the commercial value of services provided.

Volunteer and in-kind contributions have been included in the Company's Statement of Profit or Loss and Other Comprehensive Income as non-monetary donation and gift revenue and as a corresponding amount of non-monetary expenditure in the same financial year, thereby resulting in a net financial impact of zero. A breakdown of the value of volunteer and in-kind contributions is disclosed in Note 4.

(g) Income tax

The Company is a registered charity and is exempt from income tax under s50-5 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax

Revenue, expenses and property, plant and equipment are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Classification of expenses

Expenses have been classified in accordance with the format specified in the ACFID Code of Conduct for Non-Government Development Organisations.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(j) Reserves

Restricted Funds Reserve

Donations received for a specific purpose not yet disbursed for that purpose are transferred from retained earnings to restricted reserves, net of collection costs. Disbursements made to projects from restricted funds collected in prior periods are transferred out of reserves and back to the retained earnings. The net transfer to/from restricted reserves is shown in the Statement of Changes in Equity. The gross transfers to/from restricted reserves are disclosed in Note 13.

(j) Reserves (continued)

Unrestricted Funds Reserve

The Directors may decide to transfer surplus legacies and bequests and other donations received for the general work of ActionAid Australia to the unrestricted funds reserve. The net transfer to/from unrestricted reserves is shown in the Statement of Changes in Equity.

(k) Net financing costs

Interest revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method, net of any withholding tax. Interest earned on AusAID grants is deferred and taken to income as grant-related expenses are incurred and obligations are met.

(l) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations has not yet been determined.

ActionAid Australia

Notes to the financial statements For the year ended 31 December 2013

3 Significant accounting policies (continued)

(I) Standards and Interpretations in issue not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
~ AASB 9 'Financial Instruments', and the relevant amending standards*	1-Jan-15	31-Dec-15
~ AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1-Jul-13	31-Dec-14
~ AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1-Jan-14	31-Dec-14
~ AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1-Jan-14	31-Dec-14
~ AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1-Jan-14	31-Dec-14
~ AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1-Jan-14	31-Dec-14
~ AASB 2013-7 'Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders'	1-Jan-14	31-Dec-14
~ AASB 2013-8 'Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, AASB 12 & AASB 1049]	1-Jan-14	31-Dec-14
~ Interpretation 21 'Levies'	1-Jan-14	31-Dec-14

* The AASB has issued the following versions of AASB 9 and the relevant amending standards:

~ AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'

~ AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure'.

For annual reporting periods beginning before 1 January 2015, an entity may early adopt either AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

	Year ended 31 December 2013	Year ended 31 December 2012
	\$	\$
4 Non-monetary donations and gifts		
Volunteer services donated by Australians for the delivery of overseas development projects and community education	81,358	43,967
Administration, fundraising and other volunteer services	79,406	76,577
In-kind contribution of services by legal firms (DLA Piper, Minter Ellison, Sparke Helmore and Williamson Legal)	32,068	8,762
	<u>192,832</u>	<u>129,306</u>
Total non-monetary donations and gifts	<u>192,832</u>	<u>129,306</u>
5 Other Australian Grants		
Other Australia Grants	<u>183,244</u>	<u>20,651</u>
Total other Australian grant income	<u>183,244</u>	<u>20,651</u>
6 Investment income		
Interest income	<u>53,652</u>	<u>68,226</u>
7 Other income		
Membership subscriptions	464	791
Funds from ActionAid International	-	899,367
Other income	<u>77,460</u>	<u>55</u>
Total income from other activities	<u>77,924</u>	<u>900,213</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

8 International Programs and Community Education Expenditure

Funds to International Programs

Program	Country/Region	Total Disbursed	AusAID	Other
		\$	\$	\$
Women Empowerment	Afghanistan	110,411	45,000	65,411
Gender Resilience	Asia	56,647	56,647	-
Community Resilience & Livelihoods	Bangladesh	33,180	-	33,180
Community Resilience & Livelihoods	Cambodia	177,610	76,993	100,617
Human Security During Conflicts & Emergencies	Cambodia	12,805	-	12,805
Education	Cambodia	45,302	-	45,302
Food Rights	Cambodia	29,053	29,053	-
Community Resilience & Livelihoods	Indonesia	18,247	-	18,247
Human Security During Conflicts & Emergencies	Kenya	56,934	(7,063)	63,997
Youth Mobilisation and Governance	Kenya	272,592	272,592	-
Food rights	Kenya/Uganda	1,199,548	1,199,548	-
Making Justice Work For Women	Kenya/Uganda/ DRC	103,364	-	103,364
Youth Mobilisation and Governance	Myanmar	76,384	-	76,384
Community Resilience & Livelihoods	oPt*	1,201,663	1,195,361	6,302
Microfinance	oPt*	78,495	-	78,495
Women Empowerment	oPt*	190,918	190,918	-
Community Resilience & Livelihoods	Uganda	172,537	-	172,537
Food Rights	Uganda	110,954	110,954	-
Women Empowerment	Uganda	35,000	18,604	16,396
Year ended 31 December 2013		<u>3,981,644</u>	<u>3,188,607</u>	<u>793,037</u>
Year ended 31 December 2012		<u>6,965,135</u>	<u>3,201,205</u>	<u>3,763,930</u>

* occupied Palestinian territories

Year ended	Year ended
31 December	31 December
2013	2012
\$	\$

Program Support Costs

Project Monitoring and Administration	<u>716,744</u>	<u>767,290</u>
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Community Education

Other Community Education Activities	<u>442,498</u>	<u>637,131</u>
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ActionAid Australia
Notes to the financial statements

For the year ended 31 December 2013

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
9 Accountability and administration expenses		
Accountability and administration expenses	908,131	879,153
Foreign exchange losses/(gains)	(13,163)	(4,551)
Total accountability and administration expenses	<u>894,968</u>	<u>874,602</u>
10 Personnel expenses		
Salaries, wages and allowances	2,273,563	2,611,057
Superannuation	177,136	190,293
Increase/(decrease) in liability for annual leave and long-service leave	(32,475)	51,091
Other associated personnel expenses	12,332	13,028
Total personnel expenses	<u>2,430,556</u>	<u>2,865,469</u>
11 Auditors' remuneration		
Audit services		
KPMG Australia	-	32,000
Deloitte Touche Tohmatsu	28,000	-
	<u>28,000</u>	<u>32,000</u>
12 Total comprehensive income/(loss)		
Operating income/(loss)	7,103	(147,804)
Capital profit on sale of property	3,018,577	-
Total comprehensive income/(loss)	<u>3,025,680</u>	<u>(147,804)</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

	Year ended 31 December 2013 \$	Year ended 31 December 2012 \$
13 Transfers to/(from) Restricted Reserves		
Transfers in		
Restricted funds raised	489,123	340,701
Transfers from retained earnings to capital reserve	3,018,577	-
Total transfers in	<u>3,507,700</u>	<u>340,701</u>
Transfers out		
Other restricted funds used	371,198	488,498
Restricted funds transfer to grant (other grant)	-	21,046
Total transfers out	<u>371,198</u>	<u>509,544</u>
Net transfers to/(from) restricted reserves	<u>3,136,502</u>	<u>(168,843)</u>

14 Cash and cash equivalents

Cash at bank	1,403,457	1,334,819
Cash at deposit	<u>7,582,618</u>	<u>3,108,160</u>
Cash and cash equivalents in the Statement of Cash Flows	<u>8,986,075</u>	<u>4,442,979</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 27.

15 Trade and other receivables

Trade receivables	5,677	150
Travel advances	29,832	11,708
ActionAid International Intercompany	138,713	418,460
Prepayments	<u>37,958</u>	<u>16,212</u>
	<u>212,180</u>	<u>446,530</u>

The average credit period for trade receivables is 30 days.

ActionAid Australia
Notes to the financial statements
For the year ended 31 December 2013

16 Property, Plant and Equipment

	Land and Buildings \$	Motor Vehicles \$	Computers and IT Equipment \$	Furniture and Fixtures \$	Totals \$
Cost					
Balance at 1 January 2012	660,000	34,522	135,281	106,973	936,776
Acquisitions	-	-	2,532	-	2,532
Disposals	-	-	-	-	-
Balance at 31 December 2012	660,000	34,522	137,813	106,973	939,308
Balance at 1 January 2013	660,000	34,522	137,813	106,973	939,308
Acquisitions	-	-	17,752	-	17,752
Disposals	(660,000)	-	-	-	(660,000)
Balance at 31 December 2013	-	34,522	155,565	106,973	297,060
Depreciation and amortisation					
Balance at 1 January 2012	134,904	1,419	112,691	78,324	327,338
Depreciation charge for the period	7,719	6,904	14,551	7,683	36,857
Disposals	-	-	-	-	-
Balance at 31 December 2012	142,623	8,323	127,242	86,007	364,195
Balance at 1 January 2013	142,623	8,323	127,242	86,007	364,195
Depreciation charge for the period	7,426	6,904	11,361	4,738	30,429
Disposals	(150,049)	-	-	-	(150,049)
Balance at 31 December 2013	-	15,227	138,603	90,745	244,575
Carrying amounts					
At 1 January 2012	525,096	33,103	22,590	28,649	609,438
At 31 December 2012	517,377	26,199	10,571	20,966	575,113
At 1 January 2013	517,377	26,199	10,571	20,966	575,113
At 31 December 2013	-	19,295	16,962	16,228	52,485

Land and Buildings

In 2013 freehold land and buildings at 69-71 Parramatta Road was sold for \$3.620m + GST.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
17 Trade and other payables		
Trade payables	663,608	264,808
ActionAid International Intercompany	-	-
Accruals	30,630	25,667
	<u>694,238</u>	<u>290,475</u>
18 Borrowings		
Non-current liabilities		
Secured bank loan – variable rate	-	318,579
Current liabilities		
Secured bank loan – variable rate	-	83,836
	<u>-</u>	<u>402,415</u>
	<u>-</u>	<u>402,415</u>
The secured bank loan balance was fully extinguished on settlement of the sale of the building.		
19 Provisions - employee benefits		
Current		
Liability for annual leave and long service leave	<u>130,466</u>	<u>143,700</u>
Non-Current		
Liability for long service leave	<u>25,553</u>	<u>44,794</u>
20 Other - deferred revenue		
AusAID grants	2,976,755	1,981,276
Other grants	181,685	385,599
	<u>3,158,440</u>	<u>2,366,875</u>
21 Commitments		
Operating lease payable commitments		
Future non-cancellable operating lease/rentals of plant and equipment not provided for in the financial statements and payable:		
Within one year	47,550	4,080
One year or later and no later than five years	4,178	8,255
	<u>51,728</u>	<u>12,335</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
22 Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Surplus/(loss) for the period	3,025,680	(147,804)
Adjustments for:		
Depreciation	30,429	36,857
Gain on sale of property, plant and equipment	(3,018,577)	-
Operating surplus before changes in working capital and provisions	37,532	(110,947)
(Increase)/decrease in trade and other receivables	234,350	(418,926)
Increase/(decrease) in employee benefits	(32,476)	51,091
Increase/(decrease) in trade and other payables	1,195,326	(3,748,854)
Cash used in operations	1,397,200	(4,116,689)
Net cash from/(used in) operating activities	1,434,732	(4,227,636)

23 Members' Undertaking

ActionAid Australia is a Company limited by guarantee, and was incorporated on 8 June 1978. In the event of the Company being wound up every member of the Company undertakes to contribute an amount of \$50. As at 31 December 2013, the Company had 28 Ordinary Members, 7 of which were life members (all members were individual members).

24 Table of cash movements for designated purposes

Projects for which funds raised during the reporting period were more than 10% of the total operating revenue income of \$7,524,756.

Project/Purpose	Cash available at 1 January 2013	Cash raised during the period	Cash disbursed during the period	Cash available at 31 December 2013
Australia Africa Community Engagement Scheme (AACES)	500,085	1,876,829	1,465,316	911,598
Australia Middle East NGO Cooperation Agreement (AMENCA)	910,221	842,682	1,264,055	488,848
Total for other non-designated purposes	3,032,673	9,394,690	4,841,734	7,585,629
Total	4,442,979	12,114,201	7,571,105	8,986,075

Of the cash available at balance date for all other purposes of \$7,585,629 an amount of \$5,699,015 is committed to funding a specific project or to be used for a designated purpose.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

25 Fundraising appeals conducted during the year

- (a) Fundraising appeals conducted during the year included mail appeals, telephone appeals, electronic appeals, face-to-face appeals, events, workplace giving and bequests.
- (b) In accordance with section 20 of the Charitable Fundraising (NSW) Act 1991, monies received in the course of fundraising appeals are applied according to the objects or purposes of the appeal net of proper and appropriate expenses. In some circumstances appeal funds are not always expended in the year they are collected and therefore the balance of undistributed funds at the end of the year being \$2,223,466 (31 December 2012: \$2,216,363) includes amounts to be applied to meet the purpose and objective of specific appeals.

	Year ended 31 December 2013	Year ended 31 December 2012
	\$	\$
(c) Results of fundraising appeals		
Gross proceeds from fundraising appeals	3,106,056	3,219,491
Gross proceeds from bequests	133,545	122,622
Less: Direct fundraising costs	(558,576)	(1,272,914)
Net surplus - public fundraising appeals	<u>2,681,025</u>	<u>2,069,199</u>
Government, multilateral & corporate grants	3,960,747	6,854,279
Less: fundraising cost	(24,089)	(69,045)
Net surplus – Gov't, multilateral & corporate	<u>3,936,658</u>	<u>6,785,234</u>
Other income	131,575	968,439
Total revenue net of direct fundraising costs	<u>6,749,258</u>	<u>9,822,872</u>
(d) Application of net surplus obtained from fundraising appeals		
Distributions	5,140,886	8,369,556
Fundraising costs – indirect	706,301	726,518
Administration expenses	894,968	874,602
Add: Non-distributed funds at end of the period	2,223,466	2,216,363
Less: Non-distributed funds at beginning of period	(2,216,363)	(2,364,167)
	<u>6,749,258</u>	<u>9,822,872</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

25 Fundraising appeals conducted during the year (continued)

(e) Comparisons of certain monetary figures and percentages

	Year ended 31 December 2013		Year ended 31 December 2012	
	\$	%	\$	%
Direct cost of fundraising/ Gross income from fundraising	558,576/ 3,239,601	17	1,272,914/ 3,342,113	38
Net surplus from fundraising/ Gross income from fundraising	2,681,025/ 3,239,601	83	2,069,199/ 3,342,113	62
Total projects funded/ Total expenditure - monetary	5,140,886/ 7,324,820	70	8,369,556/ 11,312,635	74
Total projects funded/ Total income less transfer to reserves	5,140,886/ 7,213,998	71	8,369,556/ 11,333,674	74

26 Key management personnel

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

The Hon. John Dowd AO QC	Nicci Dent (From 11 September 2013)
Margaret Alston	Gordon Weiss (To 19 November 2013)
Sonia Zavesky	Thomas O'Connor (To 19 July 2013)
Susan Brennan	James Pyne (To 12 September 2013)
Maree Blake	Tuong Quang Luu AO (To 1 July 2013)

Executives

Philip Archibald Law	Executive Director
Palash Roy	Head of Finance and Administration (To 30 June 2013)
Susan Casali	Head of Finance and Administration (From 27 August 2013) Acting Head of HROD (From 10 September 2013)
Morgane Daumarie	Head of HROD (On maternity leave from 10 September 2013)
Catherine Esposito	Head of Programs (To 1 October 2013)
Michelle Higelin	Head of Programs (From 5 November 2013)
Maeva Freeman	Head of Fundraising (On maternity leave from 22 May 2013)
Michael Fogarty	Head of Fundraising (From 29 April 2013)
Mark Chenery	Head of Community Engagement
Frederique Blanc	Executive Projects Manager (To 14 May 2013)

Transactions with key management personnel

The directors did not receive any remuneration or superannuation benefits during the period other than professional indemnity insurance paid on their behalf by the Company.

In addition to a salary, the Company also provides non-cash benefits to some key management personnel and contributes to a post-employment defined contribution superannuation fund on their behalf.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

26 Key management personnel (continued)

Below are the details of executive remuneration during the year ended 31 December 2013:

	<u>Salary payments</u>	<u>Short Term Bonus</u>	<u>Non-monetary</u>	<u>Post Employment Superannuation</u>	<u>Total</u>
Executive Payment	748,243	-	13,162	53,317	814,722
	<u>748,243</u>	<u>-</u>	<u>13,162</u>	<u>53,317</u>	<u>814,722</u>

Below are the details of executive remuneration during the year ended 31 December 2012:

	<u>Salary payments</u>	<u>Short Term Bonus</u>	<u>Non-monetary</u>	<u>Post Employment Superannuation</u>	<u>Total</u>
Executive Payment	716,753	-	14,386	64,508	795,647
	<u>716,753</u>	<u>-</u>	<u>14,386</u>	<u>64,508</u>	<u>795,647</u>

Other transactions with the Company

No director has entered into a material contract or transaction with the Company since the end of the previous year and there were no material contracts or transactions involving directors' interests subsisting at period-end.

27 Financial risk management

Exposure to credit risk, liquidity risk, currency risk and interest rate risk arises in the normal course of the Company's business.

(a) Credit risk

Credit risk is the risk of financial loss to the Company from the failure of a counter party to settle its financial or contractual obligations as and when they fall due.

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		31 December 2013	31 December 2012
Trade receivables	15	5,677	150
		<u>5,677</u>	<u>150</u>

The Company's exposure to credit risk for trade receivables at the reporting date by type of donor was none.

Credit risk on financial assets is minimised by dealing with recognised financial institutions and related parties with acceptable credit ratings. No impairment allowance is necessary in respect of trade receivables as all trade receivables at 31 December 2013 had been settled in full at the date of this report.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

27 Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses and risking damage to the Company's reputation.

The Company monitors cash flow requirements and optimises its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least 60 days, excluding potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The total financial liability consists of trade and other payables of \$663,608 (31 December 2012: \$264,808), Australian government grants not yet spent of \$2,976,755 (31 December 2012: \$1,981,276), \$181,685 of other grants not yet spent (31 December 2012: \$385,599) and \$Nil borrowings (31 December 2012: \$402,415). All trade and other payables are settled within 2 months or less, with the exception of grants not yet spent that are spent over the duration of individual projects and borrowings to be paid over the year.

(c) Currency risk

The Company is exposed to currency risk on program expenses that are denominated in a currency other than the Australian Dollar (AUD), however agreements with implementing partners are denominated in the same currency as donor agreements to minimise the currency risk. The Company is also exposed to currency risk on cash and financial instruments that are held in the Company's offices in Palestine and Indonesia.

The Company's exposure to foreign currency risk at balance date was as follows, based on notional amounts (in AUD). The currencies to which the Company was exposed at balance date (or at 31 December 2013) were United States Dollars (USD) and Israeli Shekels (ILS). In addition to these currencies the company was also exposed at 31 December 2012 for Indonesian Rupiahs (IDR),

31 December 2013	USD	IDR	ILS
Cash and cash equivalents	119,627	-	34,945
Trade receivables	-	-	24,822
Trade payables	-	-	86,439
Net exposure	<u>119,627</u>	<u>-</u>	<u>146,206</u>
31 December 2012	USD	IDR	ILS
Cash and cash equivalents	459,205	368,879	11,600
Trade receivables	-	-	11,233
Trade payables	-	-	62,772
Net exposure	<u>459,205</u>	<u>368,879</u>	<u>85,605</u>

The following significant exchange rates applied at balance date:

31 December 2013	USD	IDR	ILS
Reporting date spot rate	0.8948	-	3.08771
31 December 2012	USD	IDR	ILS
Reporting date spot rate	1.0384	10,008	3.86326

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

27 Financial risk management (continued)

(c) Currency risk (continued)

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the following currencies at 31 December 2013 would have decreased (increased) the surplus for the period by the amounts shown below (in AUD). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 31 December 2012.

31 December 2013	USD	IDR	ILS
Decrease (increase) to surplus	9,578	-	11,930
31 December 2012	USD	IDR	ILS
Decrease (increase) to surplus	41,746	33,534	7,782

A 10 percent weakening of the Australian dollar against the above currencies at 31 December 2013 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(d) Interest rate risk

The Company's exposure to interest rate risk for classes of financial assets and financial liabilities is as follows:

Financial assets

Cash balances and cash investments totalling \$8,986,075 (31 December 2012: \$4,442,979) are subject to floating interest rates and fixed rates for periods not exceeding 90 days. The weighted average interest rate at balance date was 3.37% pa (31 December 2012: 3.19% pa). Of this amount \$184,726 (31 December 2012: \$838,710) was non-interest bearing.

Financial liabilities

Of the \$3,158,440 of deferred income (31 December 2012: \$2,366,875), \$2,976,755 relates to AusAid grants (31 December 2012: \$1,981,276). The interest earned on the deferred income of AusAid grants is used to meet the obligations set out in grant agreements.

Sensitivity analysis

In managing interest rate risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on the Company's earnings and interest expenses.

A change of 100 basis points in interest rates at the reporting date would increase (decrease) per annum interest earned by the amounts shown below. The analysis is performed on the same basis for 31 December 2012.

	100bp increase	100bp decrease
	\$	\$
31 December 2013		
Cash and cash equivalents	215,709	(116,018)
31 December 2012		
Cash and cash equivalents	177,693	(105,945)

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

27 Financial risk management (continued)

A change of 100 basis points in interest rates at the reporting date would increase (decrease) per annum interest costs by the amounts shown below. The analysis is performed on the same basis for 31 December 2012.

	100bp increase	100bp decrease
	\$	\$
31 December 2013		
Debt	-	-
31 December 2012		
Debt	31,187	(23,139)

Fair values

The carrying amounts shown in the Statement of Financial Position for cash and cash equivalents, trade and other receivables, loans to related parties, other assets, and trade and other payables approximate net fair value.

	Note	Effective interest rate	Total	6 months or less	6-12 months	1-2 Years	2-5 years	More than 5 years
		\$	\$	\$	\$	\$	\$	\$
31 December 2013								
Cash and cash equivalents	14	3.37%	8,986,075	8,986,075	-	-	-	-
31 December 2012								
Cash and cash equivalents	14	3.19%	4,442,979	4,442,979	-	-	-	-

28 Subsequent events

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual 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

29 Related party transactions

The company entered into the following related party transaction with ActionAid International relating to fund transfers for sponsorship programs and funds received for fundraising investments. There has not been any fixed arrangement for the outstanding cash settlement.

	Year ended 31 December 2013	Year ended 31 December 2012
	\$	\$
ActionAid International receivable (balance outstanding)	138,713	418,460

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2013

30 Company Details

Principal Place of Business

To 28 March 2014

69-71 Parramatta Road

Camperdown

New South Wales 2050

From 28 March 2014

Level 2, 10 Mallet Street

Camperdown

New South Wales 2050

Postal Address

Locked Bag 5515

Camperdown

New South Wales 1450

ActionAid Australia Director's Declaration

In the opinion of the directors of ActionAid Australia:

- (a) the financial statements and notes set out on pages 7 to 31 are in accordance with the Corporations Act 2001 including;
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2013, and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
 - (iii) complying with the ACFID Code of Conduct for non-governmental development organisations; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 23rd day of May 2014

Signed in accordance with a resolution of the Directors pursuant to S295(5) of the Corporations Act 2001:



The Hon. John Dowd AO QC
President



Sonia Zavesky
Director

ActionAid Australia Declaration by Executive Director In Respect of Fundraising Appeals

I, Philip Archibald Law, Executive Director of ActionAid Australia declare that, in my opinion:

- a. the Statement of Profit and Loss and Other Comprehensive Income gives a true and fair view of all income and expenditure of ActionAid Australia with respect to fundraising appeal activities for the year ended 31 December 2013;
- b. the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2013;
- c. the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the year ended 31 December 2013; and
- d. the internal controls exercised by ActionAid Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this 23rd day of May 2014

Signed in accordance with a resolution of the Directors:



Philip Archibald Law
Executive Director

Independent Auditor's Report to the Members of ActionAid Australia

We have audited the accompanying financial report of ActionAid Australia (the Company), which comprises the statement of financial position as at 31 December 2013, statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 7 to 31. In addition, we have audited ActionAid Australia's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 31 December 2013.

Directors' Responsibility for the Financial Report and for Compliance with the Charitable Fundraising Act 1991

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, the *Corporations Act 2001* and the ACFID Code of Conduct and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* and the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's compliance with specific requirements of the *Charitable Fundraising Act 1991* and 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 whether the entity has complied with specific requirements of the *Charitable Fundraising Act 1991* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the company's compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and 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 compliance with the *Charitable Fundraising Act 1991* and 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 company'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.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in ActionAid Australia's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Charitable Fundraising Act 1991* to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ActionAid Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of ActionAid Australia is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*.
- (b) the financial report agrees to the underlying financial records of ActionAid Australia, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 31 December 2013; and
- (c) monies received by ActionAid Australia, as a result of fundraising appeals conducted during the year ended 31 December 2013, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.
- (d) The financial report is prepared in accordance with the ACFID Code of Conduct.


DELOITTE TOUCHE TOHMATSU


Gaile Pearce
Partner
Chartered Accountants
Sydney, 23 May 2014