

ActionAid Australia
(formerly Austcare)

ABN 87 001 251 930

Annual Financial Report
Year ended 31 December 2014

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ActionAid Australia Limited

Directors' Report

The directors present their report together with the financial report of ActionAid Australia ("the Company" or "ActionAid Australia") for the year ended 31 December 2014 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
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
Susan Brennan	BA/LLB (Hons), Barrister at Law Vice President, World YWCA and Former President, World YWCA	Director from 24 February 2011
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 Resigned 21 May 2014
Nicci Dent	MFIA, HND Fashion Design Diploma in Fashion and Design 1984 BTEC in Art and Design Head of Fundraising Mission Australia Formerly 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

ActionAid Australia Limited

Directors' Report (continued)

1. Directors' (continued)

Director	Qualifications & experience	Special responsibilities
James Goth	B.Ec University of Sydney LLB University of Sydney MBA, Insead Chief Strategy Officer at Woolworths Limited Former Partner, Boston Consulting Group	Director from 30 January 2014
Jeremy Hobbs	B.A University of Western Australia Director of Development Essentials Former Executive Director and founding Board member of Oxfam International Former Executive Director of Oxfam Australia Former Chair of INGO Accountability Charter Former Board member International Civil Society Centre	Director from 15 August 2014
Carole Brownlee	F CPA Institute of Certified Practising Accountants B.Com Griffith University and Queensland University of Technology Chief Operating Officer Roadshow Group Finance Director Roadshow Films	Director from 16 December 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		Finance and Fundraising/Investment Panel Committees	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
	6 meetings held		4 meetings held		5 meetings held	
The Hon John Dowd AO QC	6	6				
James Goth	6	5			5	5
Margaret Alston	6	5	4	4		
Sonia Zavesky	6	4	2	2		
Susan Brennan	6	4	4	4		
Maree Blake	2	0			3	3
Nicci Dent	6	6			4	4
Carole Brownlee	1	1				
Jeremy Hobbs	3	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.

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.

ActionAid Australia Limited

Directors' Report (continued)

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 deficit for the year of \$537,304 comprised of a deficit in unrestricted funding of \$264,824, and a transfer from restricted reserves of \$272,479 (year ended 31 December 2013: net surplus \$7,103). Total operating revenue for the year was \$8,289,787 (year ended 31 December 2013: \$7,524,756) and total expenditure was \$8,827,091 (year ended 31 December 2013: \$7,517,653). The total deficit of \$537,304 resulted in a 10% decrease in equity, which at 31 December 2014 was \$4,704,740 (31 December 2013: \$5,242,043). Cash balances at 31 December 2014 were decreased by 12% to \$7,886,719 (31 December 2013: \$8,986,075).

Monetary public funds raised by ActionAid Australia totalled \$3,430,326 (year ended 31 December 2013: \$3,239,601), and DFAT and other grant income totalled \$4,476,610 (year ended 31 December 2013: \$3,960,747). Note that this excludes grants not yet disbursed which have been treated as deferred income and amount to \$2,878,700 (31 December 2013: \$3,158,440).

During the year, ActionAid Australia provided \$4,533,184 to projects working towards ending poverty in Africa, the Middle East and the Asia Pacific region (year ended 31 December 2013: \$3,981,644). \$811,201 was spent in Australia on supporting international projects (year ended 31 December 2013: \$716,744).

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 \$475,043 (year ended 31 December 2013: \$442,498). The expenditures on fundraising for the year were \$1,814,691 (year ended 31 December 2013: \$1,288,967). Administration costs were \$1,060,429 (year ended 31 December 2013: \$894,968).

Significant changes in the state of affairs

There have not been any significant changes in the state of affairs during the year ended 31 December 2014.

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 \$1,200 (31 December 2013: \$1,400).

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 subdivision 60-C of the Australian Charities and Not-for-Profits Commission Act 2012 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 Australian Charities and Not-for-Profits Commission Act 2012.


The Hon. John Dowd AO QC
President


Sonia Zavesky
Director

Dated at Sydney this 22nd day of May 2015

The Board of Directors
ActionAid Australia
Suite 2, Level 2, 10 Mallett Street
CAMPERDOWN, NSW, 2050

22nd May 2015

Dear Board Members,

ActionAid Australia

In accordance with subdivision 60-C of the Australian Charities and Not-for-Profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of ActionAid Australia.

As lead audit partner for the audit of the financial statements of ActionAid Australia for the financial year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Pearce
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

ActionAid Australia
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

	Note	Year ended 31 December 2014 Restricted \$	Year ended 31 December 2014 Unrestricted \$	Year ended 31 December 2014 Total \$	Year ended 31 December 2013 Total \$
REVENUE					
OPERATING REVENUE					
Donations and gifts					
- Monetary		904,720	2,174,923	3,079,643	3,106,056
- Non-monetary	4	-	132,542	132,542	192,832
Bequests and legacies		-	350,683	350,683	133,545
Grants					
- DFAT		4,260,385	-	4,260,385	3,681,622
- Other Australian	5	216,225	-	216,225	183,244
- Other overseas		-	-	-	95,881
Investment income	6	19,906	194,340	214,246	53,652
Other income	7	-	36,064	36,064	77,924
Total operating revenue		5,401,236	2,888,552	8,289,787	7,524,756
OTHER GAINS					
Capital profit on sale of property		-	-	-	3,018,577
Total other gains		-	-	-	3,018,577
TOTAL REVENUE		5,401,236	2,888,552	8,289,787	10,543,333
EXPENDITURE					
International programs:					
- Funds to programmes	8	4,483,184	50,000	4,533,184	3,981,644
- Program support costs	8	811,201	-	811,201	716,744
Community education	8	-	475,043	475,043	442,498
Fundraising costs:					
- Public		7,252	1,807,438	1,814,691	1,264,878
- Government, multilateral		-	-	-	24,089
Accountability and administration	9	372,078	688,352	1,060,429	894,968
Non-monetary expenditure	4	-	132,542	132,542	192,832
Total International Aid and Development Programs Expenditure		5,673,715	3,153,376	8,827,091	7,517,653
TOTAL EXPENDITURE		5,673,715	3,153,376	8,827,091	7,517,653
- Operating excess/(shortfall) over expenditure	12	(272,479)	(264,824)	(537,304)	7,103
- Capital excess/(shortfall) over expenditure	12	-	-	-	3,018,577
TOTAL EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		(272,479)	(264,824)	(537,304)	3,025,680
TOTAL COMPREHENSIVE INCOME/(LOSS)		(272,479)	(264,824)	(537,304)	3,025,680

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 – 30. During the year ended 31 December 2014, ActionAid Australia had no transactions in the following categories specified in the ACFID Code of Conduct: International Political or Religious Adherence Promotion Programs Revenue or Expenditure.

ActionAid Australia

Statement of Changes in Equity

For the year ended 31 December 2014

	Note	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)		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	-	-
Total amounts transferred to/(from) reserves		(3,136,502)	3,136,502	-	-
Closing balance at 31 December 2013		1,251,022	3,941,021	50,000	5,242,043
		Retained earnings	Restricted funds reserves	Unrestricted funds reserves	Total undistributed funds
		\$	\$	\$	\$
Opening balance at 1 January 2014		1,251,022	3,941,021	50,000	5,242,043
Surplus/(deficit)	12	(537,304)	-	-	(537,304)
Total comprehensive loss		(537,304)	-	-	(537,304)
Transfers to/(from) reserves:		272,479	(272,479)	-	-
Total Closing Balance at 31 December 2014		986,198	3,668,542	50,000	4,704,740
Restricted funds reserve comprised of:					
- Capital Reserve		-	3,018,577	-	3,018,577
- Other Restricted Reserves		-	649,965	-	649,965

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 11 – 30. During the year ended 31 December 2014, 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, items of other comprehensive income.

ActionAid Australia

Statement of Financial Position

As at 31 December 2014

	Note	31 December 2014 \$	31 December 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	7,886,719	8,986,075
Trade and other receivables	15	89,199	212,180
Total current assets		<u>7,975,918</u>	<u>9,198,255</u>
Non-current assets			
Property, plant and equipment	16	133,276	52,485
Total non-current assets		<u>133,276</u>	<u>52,485</u>
Total assets		<u>8,109,194</u>	<u>9,250,740</u>
LIABILITIES			
Current liabilities			
Trade and other payables	17	332,708	694,238
Provisions - employee benefits	18	159,219	130,466
Other - deferred revenue	19	2,878,700	3,158,440
Total current liabilities		<u>3,370,627</u>	<u>3,983,144</u>
Non-current liabilities			
Provisions - employee benefits	18	33,827	25,553
Non-current liabilities		<u>33,827</u>	<u>25,553</u>
Total liabilities		<u>3,404,454</u>	<u>4,008,697</u>
Net assets		<u>4,704,740</u>	<u>5,242,043</u>
EQUITY			
Restricted funds capital reserve		3,018,577	3,018,577
Restricted funds other reserves		649,965	922,444
Unrestricted funds reserves		50,000	50,000
Retained earnings		986,198	1,251,022
Total equity		<u>4,704,740</u>	<u>5,242,043</u>

The Statement Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 11 - 30.

At 31 December 2014, 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, borrowings or other non-current liabilities.

ActionAid Australia

Statement of Cash Flows

For the year ended 31 December 2014

	Note	Year ended 31 December 2014	Year ended 31 December 2013
		\$	\$
Cash flows from operating activities			
Cash receipts from appeals, donations & fundraising activities		3,430,326	3,239,601
Cash receipts from DFAT grants		4,466,062	5,144,811
Cash receipts from other grants		136,812	75,211
Proceeds from other activities		(4,852)	72,395
Interest received		214,246	53,652
Cash payments to suppliers and employees		(3,391,512)	(2,010,052)
Cash payments for project expenditure		(5,819,429)	(5,140,886)
Net cash provided by/(used in) operating activities	21	(968,347)	1,434,732
Cash flows from investing activities			
Proceeds from sale of non-current assets		-	3,528,531
Payments for property, plant and equipment		(131,009)	(17,752)
Net cash provided by/(used in) investing activities		(131,009)	3,510,779
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(402,415)
Net cash provided by/(used in) financing activities		-	(402,415)
Net increase/(decrease) in cash and cash		(1,099,356)	4,543,096
Cash and cash equivalents at beginning of year		8,986,075	4,442,979
Cash and cash equivalents at end of year	14	7,886,719	8,986,075

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 11-30.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

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) – Reduced Disclosure Requirements and subdivision 60-C of the Australian Charities and Not-For-Profits Commission Act 2012 and comply with other requirements of the law. 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 March 2015.

(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 2014

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 2014

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 2014

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 2014

3 Significant accounting policies (continued)

(f) Revenue recognition (continued)

DFAT & 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 DFAT 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 DFAT guidelines, by recording actual volunteer time donated and valuing it at rates provided by DFAT.

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 2014

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.

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.

(l) Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting year, with no material impact.

(m) 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, but is not expected to be material.

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 January 2018	31 December 2018
• AASB 2014-1 'Amendments to Australian Accounting Standards' <ul style="list-style-type: none">- Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles'- Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'- Part C: 'Materiality'	1 July 2014	31 December 2015
• AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016

Notes to the financial statements

3 Significant accounting policies (continued)

(m) Standards and Interpretations in issue not yet adopted

- | | | |
|--|----------------|------------------|
| • AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' | 1 January 2017 | 31 December 2017 |
| • AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle' | 1 January 2016 | 31 December 2016 |
| • AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101' | 1 January 2016 | 31 December 2016 |
| • AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality' | 1 July 2015 | 31 December 2016 |
| • AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent' | 1 July 2015 | 31 December 2016 |

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	\$	\$
4 Non-monetary donations and gifts		
Volunteer services donated by Australians for the delivery of overseas development projects and community education	43,697	81,358
Administration, fundraising and other volunteer services	65,808	79,406
In-kind contribution of services by legal firms (DLA Piper, Minter Ellison, Sparke Helmore and Williamson Legal)	23,036	32,068
	<hr/>	<hr/>
Total non-monetary donations and gifts	<u>132,542</u>	<u>192,832</u>
5 Other Australian Grants		
Other Australia Grants	<u>216,225</u>	<u>183,244</u>
Total other Australian grant income	<u>216,225</u>	<u>183,244</u>
6 Investment income		
Interest income	<u>214,246</u>	<u>53,652</u>
7 Other income		
Membership subscriptions	464	464
Other income	<u>35,601</u>	<u>77,460</u>
Total income from other activities	<u>36,064</u>	<u>77,924</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

8 International Programs and Community Education Expenditure

Funds to International Programs

Program	Country/Region	Total Disbursed	DFAT	Other
		\$	\$	\$
Women Empowerment	Afghanistan	196,949	133,037	63,912
Community Resilience & Livelihoods	Afghanistan	249,576	249,576	
Gender Resilience	Asia	382,292	382,292	
Community Resilience & Livelihoods	Bangladesh	9,853		9,853
Community Resilience & Livelihoods	Cambodia	80,564		80,564
Food Rights	Cambodia	29,053	29,053	
Education	Cambodia	43,379		43,379
Safe Cities	Cambodia	50,469	50,469	
Human Security During Conflicts & Emergencies	Kenya	232,606		232,606
Youth Mobilisation and Governance	Kenya	203,576	203,576	
Food rights	Kenya/Uganda	1,103,876	1,103,876	
Making Justice Work For Women	Kenya/Uganda/ DRC	89,708		89,708
Ebola Response	Liberia/Sierra Leone	50,000		50,000
Youth Mobilisation and Governance	Myanmar	137,844		137,844
Women Empowerment	oPt*	200,014	127,009	73,005
Community Resilience & Livelihoods	oPt*	872,076	872,076	
Community Resilience & Livelihoods	Pakistan	83,001	50,001	33,000
Community Resilience & Livelihoods	Philippines	234,450	234,450	
Women Empowerment	Uganda	18,800		18,800
Food Rights	Uganda	121,038	121,038	
Community Resilience & Livelihoods	Uganda	144,061		144,061
Year ended 31 December 2014		<u>4,533,184</u>	<u>3,556,452</u>	<u>976,733</u>
Year ended 31 December 2013		<u>3,981,644</u>	<u>3,188,607</u>	<u>793,037</u>
* occupied Palestinian territories				
		Year ended 31 December 2014 \$	Year ended 31 December 2013 \$	
Program Support Costs				
Project Monitoring and Administration		<u>811,201</u>	<u>716,744</u>	
Community Education				
Other Community Education Activities		<u>475,043</u>	<u>442,498</u>	

ActionAid Australia
Notes to the financial statements

For the year ended 31 December 2014

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
9	Accountability and administration expenses	
	Accountability and administration expenses	1,065,472
	Foreign exchange losses/(gains)	(5,043)
	Total accountability and administration expenses	<u>894,968</u>
10	Personnel expenses	
	Salaries, wages and allowances	1,891,916
	Superannuation	190,434
	Increase/(decrease) in liability for annual leave and long-service leave	37,026
	Other associated personnel expenses	9,069
	Total personnel expenses	<u>2,128,446</u>
11	Auditors' remuneration	
	Audit services	31,134
		<u>28,000</u>
		<u>31,134</u>
		<u>28,000</u>
	The auditor of the entity is Deloitte Touche Tohmatsu	
12	Total comprehensive income/(loss)	
	Operating income/(loss)	(537,304)
	Capital profit on sale of property	-
	Total comprehensive income/(loss)	<u>3,025,680</u>

ActionAid Australia
Notes to the financial statements

For the year ended 31 December 2014

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
13 Transfers to/(from) Restricted Reserves		
Transfers in		
Restricted funds raised	582,204	489,123
Transfers from retained earnings to capital reserve	-	3,018,577
Total transfers in	<u>582,204</u>	<u>3,507,700</u>
Transfers out		
Restricted funds used	<u>(854,683)</u>	<u>(371,198)</u>
Total transfers out	<u>(854,683)</u>	<u>(371,198)</u>
Net transfers to/(from) restricted reserves	<u>(272,479)</u>	<u>3,136,502</u>

14 Cash and cash equivalents

Cash at bank and hand	1,901,374	1,403,457
Cash at deposit	<u>5,985,345</u>	<u>7,582,618</u>
Cash and cash equivalents in the Statement of Cash Flows	<u>7,886,719</u>	<u>8,986,075</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

15 Trade and other receivables

Trade receivables	46,593	5,677
Travel advances	1,116	29,832
ActionAid International Intercompany	-	138,713
Prepayments	<u>41,490</u>	<u>37,958</u>
	<u>89,199</u>	<u>212,180</u>

The average credit period for trade receivables is 30 days.

ActionAid Australia
Notes to the financial statements
For the year ended 31 December 2014

16 Property, Plant and Equipment

	Land and Buildings \$	Motor Vehicles \$	Computers and IT Equipment \$	Furniture and Fixtures \$	Totals \$
Cost					
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
Balance at 1 January 2014	-	34,522	155,565	106,973	297,060
Acquisitions	-	-	22,885	108,124	131,009
Disposals	-	-	(57,193)	(103,260)	(160,453)
Balance at 31 December 2014	-	34,522	121,257	111,837	267,616
Depreciation and amortisation					
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
Balance at 1 January 2014	-	15,227	138,603	90,745	244,575
Depreciation charge for the period	-	6,904	12,886	15,602	35,393
Disposals	-	-	(57,193)	(88,435)	(145,628)
Balance at 31 December 2014	-	22,132	94,296	17,912	134,340
Carrying amounts					
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
At 1 January 2014	-	19,295	16,962	16,228	52,485
At 31 December 2014	-	12,390	26,951	93,925	133,276

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 2014

	31 December 2014 \$	31 December 2013 \$
17 Trade and other payables		
Trade payables	130,867	663,608
ActionAid International Intercompany	172,241	-
Accruals	29,600	30,630
	<u>332,708</u>	<u>694,238</u>
18 Provisions - employee benefits		
Current		
Liability for annual leave and long service leave	<u>159,219</u>	<u>130,466</u>
Non-Current		
Liability for long service leave	<u>33,827</u>	<u>25,553</u>
19 Other - deferred revenue		
DFAT grants	2,776,427	2,976,755
Other grants	102,274	181,685
	<u>2,878,700</u>	<u>3,158,440</u>
20 Commitments		
Operating lease payable commitments		
Future non-cancellable operating lease of rental property not provided for in the financial statements and payable:		
Within one year	140,494	47,550
One year or later and no later than five years	469,322	4,178
	<u>609,816</u>	<u>51,728</u>

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
21 Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Surplus/(loss) for the period	(537,304)	3,025,680
Adjustments for:		
Depreciation	35,393	30,429
Gain on sale of property, plant and equipment	14,825	(3,018,577)
Operating surplus/(deficit) before changes in working capital and provisions	(487,086)	37,532
(Increase)/decrease in trade and other receivables	122,980	234,350
Increase/(decrease) in employee benefits	37,026	(32,476)
Increase/(decrease) in trade and other payables	(641,267)	1,195,326
	<u>(481,261)</u>	<u>1,397,200</u>
Net cash from/(used in) operating activities	(968,347)	1,434,732

22 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 2014, the Company had 24 Ordinary Members, 7 of which were life members (all members were individual members). As at 31 December 2013 there were 28 Ordinary Members.

23 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 \$8,289,787.

	Cash available at 1 January 2014	Cash raised during the period	Cash disbursed during the period	Cash available at 31 December 2014
Project/Purpose				
Australia Africa Community Engagement Scheme (AACES)	911,598	1,296,851	1,377,458	830,991
Afghanistan Resilient Agriculture and Livelihoods Initiative for Socio Economic Empowerment (REALISE)	-	966,339	310,517	655,822
Total for other non-designated purposes	8,074,477	5,979,406	7,653,977	6,399,906
Total	8,986,075	8,242,596	9,341,952	7,886,719

Of the cash available at balance date for all other purposes of \$6,399,907 an amount of \$5,060,429 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 2014

24 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 \$1,686,163 (31 December 2013: \$2,223,466) includes amounts to be applied to meet the purpose and objective of specific appeals.

	Year ended 31 December 2014	Year ended 31 December 2013
	\$	\$
(c) Results of fundraising appeals		
Gross proceeds from fundraising appeals	3,079,643	3,106,056
Gross proceeds from bequests	350,683	133,545
Less: Direct fundraising costs	(929,730)	(558,576)
Net surplus - public fundraising appeals	2,500,596	2,681,025
Government, multilateral & corporate grants	4,476,609	3,960,747
Less: fundraising cost	0	(24,089)
Net surplus – Gov't, multilateral & corporate	4,579,852	3,936,658
Other income	250,310	131,575
Total revenue net of direct fundraising costs	7,227,515	6,749,258
(d) Application of net surplus obtained from fundraising appeals		
Distributions	5,819,429	5,140,886
Fundraising costs – indirect	884,960	706,301
Administration expenses	1,060,428	894,968
Add: Non-distributed funds at end of the year	1,686,163	2,223,466
Less: Non-distributed funds at beginning of year	(2,223,466)	(2,216,363)
	7,227,515	6,749,258

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

24 Fundraising appeals conducted during the year (continued)

(e) Comparisons of certain monetary figures and percentages

	Year ended 31 December 2014		Year ended 31 December 2013	
	\$	%	\$	%
Direct cost of fundraising/ Gross income from fundraising	929,730/ 3,430,326	27	558,576/ 3,239,601	17
Net surplus from fundraising/ Gross income from fundraising	2,500,596/ 3,430,326	73	2,681,025/ 3,239,601	83
Total projects funded/ Total expenditure - monetary	5,819,429/ 8,694,549	67	5,140,886/ 7,324,820	70
Total projects funded/ Total income less transfer to reserves	5,819,429/ 8,429,725	69	5,140,886/ 7,213,998	71

25 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	Maree Blake (To 21 May 2014)
Margaret Alston	Jeremy Hobbs (From 15 August 2014)
Sonia Zavesky	Carole Brownlee (From 16 December 2014)
Susan Brennan	Nicci Dent

Executives

Philip Archibald Law	Executive Director
Michelle Higelin	Head of Programs
Susan Casali	Head of Finance and Administration (To 2 April 2014)
Clare Wimshurst	Head of Finance and Administration (From 16 May 2014)
Michael Fogarty	Head of Fundraising (To 30 June 2014)
Shannon Fleming	Head of Fundraising (From 1 July 2014)
Mark Chenery	Head of Community Engagement (To 15 April 2014)
Maeva Freeman	Head of Community Engagement (Return from maternity leave 4 August 2014)
Holly Miller	Acting Head of Community Engagement (From 31 March 2014). Head of Media and PR (From 1 August 2014)

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 2014

25 Key management personnel (continued)

Below are the details of executive remuneration during the year ended 31 December 2014:

	Salary payments	Short Term Bonus	Non- monetary	Post Employment Superannuation	Total
Executive Payment	635,346	-	12,693	59,629	707,668
	<u>635,346</u>	<u>-</u>	<u>12,693</u>	<u>59,629</u>	<u>707,668</u>

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

	Salary payments	Short Term Bonus	Non- monetary	Post Employment Superannuation	Total
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>

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 existing at year end.

26 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:

		Carrying amount	
	Note	31 December 2014	31 December 2013
Trade and other receivables	15	46,594	5,677
		<u>46,594</u>	<u>5,677</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 2014 had been settled in full at the date of this report.

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

26 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 \$130,867 (31 December 2013: \$663,608), Australian government grants not yet spent of \$2,776,427 (31 December 2013: \$2,976,755), \$102,274 of other grants not yet spent (31 December 2013: \$181,685). 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's exposure to foreign currency risk at balance date was as follows, based on notional amounts (in AUD). The currency to which the Company was exposed at balance date was United States Dollars (USD).

31 December 2014	USD	ILS
Cash and cash equivalents	57,172	-
Trade receivables	-	-
Trade payables	-	-
Net exposure	<u>57,172</u>	<u>-</u>

31 December 2013	USD	ILS
Cash and cash equivalents	119,627	34,945
Trade receivables	-	24,822
Trade payables	-	86,439
Net exposure	<u>119,627</u>	<u>146,206</u>

The following significant exchange rates applied at balance date:

31 December 2014	USD		
Reporting date spot rate	0.8202		
31 December 2013	USD		ILS
Reporting date spot rate	0.8948	-	3.08771

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

26 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 2014 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 2013.

31 December 2014	USD	
Decrease (increase) to surplus	4,689	
31 December 2013	USD	ILS
Decrease (increase) to surplus	9,578	11,930

A 10 percent weakening of the Australian dollar against the above currencies at 31 December 2014 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 \$7,886,719 (31 December 2013: \$8,986,075) are subject to floating interest rates and fixed rates for periods not exceeding 90 days. The weighted average interest rate at balance date was 3.06% pa (31 December 2013: 3.37% pa). Of this amount \$86,471 (31 December 2013: \$184,726) was non-interest bearing.

Financial liabilities

Of the \$2,878,700 of deferred income (31 December 2013: \$3,158,440), \$2,776,427 relates to DFAT grants (31 December 2013: \$2,976,755). The interest earned on the deferred income of DFAT 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 2013.

	100bp increase	100bp decrease
	\$	\$
31 December 2014		
Cash and cash equivalents	176,707	(86,211)
31 December 2013		
Cash and cash equivalents	215,709	(116,018)

ActionAid Australia

Notes to the financial statements

For the year ended 31 December 2014

26 Financial risk management (continued)

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 2014								
Cash and cash equivalents	14	3.06%	7,886,719	7,886,719	-	-	-	-
31 December 2013								
Cash and cash equivalents	14	3.37%	8,986,075	8,986,075	-	-	-	-

27 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

28 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 2014	Year ended 31 December 2013
	\$	\$
ActionAid International (payable) / receivable (balance outstanding)	(172,241)	138,713

29 Company Details

Principal Place of Business
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 30 are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 including;
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2014, 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 Australian Charities and Not-for-Profits Commission Regulations 2013; 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 22nd day of May 2015

Signed in accordance with a resolution of the Directors.



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 or 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 2014;
- 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 2014;
- 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 2014; 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 22nd day of May 2015

Signed by the Executive Director:



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 2014, 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 2014.

Directors' Responsibility for the Financial Report, for Compliance with the Australian Charities and Not-for-profits Commission Act 2012, the ACFID Code of Conduct and 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 *Australian Charities and Not-for-profits Commission Act 2012* 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.

Opinion

In our opinion:

- (a) the financial report of ActionAid Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (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 2014; and
- (c) monies received by ActionAid Australia, as a result of fundraising appeals conducted during the year ended 31 December 2014, 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, 22 May 2015