

Diaspora Action Australia Inc.

A.B.N. 67 754 968 942

**Financial Report
for the financial year ended 30 June 2017**

Diaspora Action Australia Inc.
A.B.N. 67 754 968 942

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Diaspora Action Australia Inc.
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Board Report

The Board submits the financial report for Diaspora Action Australia Inc. (the Association) for the financial year ended 30 June 2017.

Committee Members:

The following persons are Board Members at date of this Report:

Committee Member	Position
Hala Abdelnour	Chair
Andrew Hewett	Deputy Chair
Jamie Han Chu	Treasurer
Lisa Vettori	Secretary
Aarathi Krishnan	Ordinary Member
Karen Medica	Ordinary Member
Mustafa Najib	Ordinary Member

Principal Activities

The Association works in Australia with people from countries affected by war and conflict who promote peace, development and human rights in their countries of origin. We support diaspora community initiatives; provide resources; information and training; facilitate dialogue and shared learning; build network; and seek to amplify community voices at local, national and international levels.

Operating Result

The deficit from ordinary activities for the financial year amounted to \$27,432 (2016: surplus \$6,579).

Significant Changes in State of Affairs

No significant changes in the Association's state of affairs occurred during the financial year.

Signed in accordance with a resolution of the Management Board.

.....
Hala Abdelnour

Chair

.....
Jamie Han Chu

Treasurer

Dated this day of September 2017

Diaspora Action Australia Inc.
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Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenues	2	344,573	268,547
Employee expenses		(147,644)	(111,575)
Depreciation	3	(1,057)	(1,378)
Other operating expenses	3	<u>(223,304)</u>	<u>(149,015)</u>
Surplus / (deficit) for the year		(27,432)	6,579
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u><u>(27,432)</u></u>	<u><u>6,579</u></u>

The accompanying notes form part of these financial statements

Diaspora Action Australia Inc.
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Statement of Financial Position
as at 30 June 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash assets	4	132,859	141,433
Receivables	5	65	-
Prepayments		273	1,471
Total Current Assets		<u>133,197</u>	<u>142,904</u>
Non-Current Assets			
Property, plant & equipment	6	-	1,057
		-	1,057
Total Assets		<u>133,197</u>	<u>143,961</u>
Current Liabilities			
Payables	7	14,029	15,105
Deferred revenue	8	89,696	79,249
Provisions	9	22,443	15,146
Total Current Liabilities		<u>126,168</u>	<u>109,500</u>
Total Liabilities		<u>126,168</u>	<u>109,500</u>
Net Assets		<u>7,029</u>	<u>34,461</u>
Equity			
Retained surplus		7,029	34,461
Total Equity		<u>7,029</u>	<u>34,461</u>

The accompanying notes form part of these financial statements

Diaspora Action Australia Inc.
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Statement of Changes in Equity
for the year ended 30 June 2017

	2017	2016
	\$	\$
Retained surplus		
Balance at the beginning of the year	34,461	27,882
Total comprehensive income / (loss) for the year	<u>(27,432)</u>	<u>6,579</u>
Balance at the end of the year	<u><u>7,029</u></u>	<u><u>34,461</u></u>

The accompanying notes form part of these financial statements

Diaspora Action Australia Inc.
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Statement of Cash Flows
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Cash receipts in the course of operations		217,553	237,773
Payments to suppliers and employees		(227,152)	(183,725)
Interest received		1,025	1,634
Net cash inflows / (outflows) from operating activities	10	<u>(8,574)</u>	<u>55,682</u>
Cash flows from investing activities			
Payments for property, plant & equipment		-	-
Net cash flows from investing activities		<u>-</u>	<u>-</u>
Cash flows from Financing activities			
Net cash flows from Financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		(8,574)	55,682
Cash at the beginning of the financial year		<u>141,433</u>	<u>85,751</u>
Cash at the end of the financial year	4	<u><u>132,859</u></u>	<u><u>141,433</u></u>

The accompanying notes form part of these financial statements

Diaspora Action Australia Inc.
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Notes to the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Vic) and the Australian Charities and Not-for-profits Commission Act 2012. The Board of Management has determined that the Association is not a reporting entity.

(a) Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Going Concern

The Association had generated an operating deficit of \$27,432 for the financial year ended 30 June 2017. Its equity has been reduced to \$7,029 as at 30 June 2017. The Association has secured funding agreement up to 31 July 2019. The Association is now working together with Refugee Council of Australia which has agreed to provide the Association rent free office, administrative and IT services support for the next coming 2 years. The Board believes that the Association will have sufficient cash to cover all its obligations as and when they fall due.

Based on matters mentioned above, the Board has prepared the financial statements on the going concern basis.

(c) Recognition of Income

Diaspora Action Australia Inc. adopts to include the non-monetary revenue and expenditure in its financial statements in line with the Australian Council for International Development (ACFID) Code of Conduct. The volunteer rate is costed at appropriate rates within the Social, Community, Home Care and Disability Services Industry Award 2010.

All income has been appropriately recorded as per the requirements specific to not-for-profit entities as per Accounting Standard AASB 1004 Contributions.

(d) Income Tax

The Association is not liable for Income Tax. The Association is endorsed by the Australian Tax Office as a Registered Public Benevolent Institution and has an Income Tax exemption under subdivision 50-B of the Income Tax Assessment Act 1997.

(e) Employee Entitlements

The provision for employee entitlements to wages & salaries, annual leave, and other current employee entitlements are accrued at nominal amounts calculated on the basis of current wage and salary rates.

The liability for long services leave has been calculated for services in excess of five years for all staff.

On-costs of Superannuation and Workcover have been included in the employee entitlement provision.

Contributions to employee superannuation plans are expensed in the period in which wages & salaries are paid or accrued.

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Notes to the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies (continued)

(f) Dividends

As stipulated in the Rules of the Association no dividend is to be paid or payable to members. All profits or surpluses are to be used for the activities of the Association.

(g) Property, plant & equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Impairment

All items of property, plant and equipment are reviewed annually to ensure carrying values are not in excess of recoverable amounts. Recoverable amounts are based upon present value of expected future cash flows.

Depreciation

Depreciation is calculated using straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Office equipment	up to 4 years
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Gains and losses on disposal of property, plant and equipment

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

(h) Goods & Services Tax (GST)

Revenues expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included under current receivables or payables in the statement of financial position.

Cash flows are presented in the statements of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Deductible Gift Recipient (DGR)

The Association is endorsed as a deductible gift recipient (DGR). All donations are recorded in Gift Fund Account and held in a separate Bank Account.

Diaspora Action Australia Inc.
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**Notes to the Financial Statements
for the year ended 30 June 2017**

	2017	2016
	\$	\$
2. Revenue		
Monetary		
Grants	186,956	162,761
Donations	3,004	3,551
Membership fee	109	116
Interest received	1,025	1,634
Sundry Income	369	2,771
	191,463	170,833
Non-monetary		
Contribution from volunteers	153,110	97,714
	344,573	268,547
3. Expense		
Operating surplus includes the following specific expenses:		
Depreciation	1,057	1,378
Provision for staff entitlements	7,297	2,573
Contribution from volunteers	153,110	97,714
Auditor's remuneration	3,300	3,000
	3,300	3,000
4. Cash assets		
Current		
Cash on hand	377	2,028
Cash at bank	132,482	139,405
	132,859	141,433
5. Receivables		
Current		
Trade debtors	65	-
	65	-
6. Property, Plant & Equipment		
Non-Current		
Office equipment, at cost	13,093	13,093
Less accumulated depreciation	(13,093)	(12,036)
	-	1,057
Reconciliation of office equipment		
Carrying amount at beginning of year	1,057	2,435
Depreciation	(1,057)	(1,378)
Carrying amount at end of year	-	1,057

Diaspora Action Australia Inc.
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**Notes to the Financial Statements
for the year ended 30 June 2017**

	2017	2016
	\$	\$
7. Payables		
Current		
Trade & other creditors	5,428	6,248
Payroll liabilities	1,744	7,380
Net GST payable	6,857	1,477
	<u>14,029</u>	<u>15,105</u>
8. Deferred revenue		
Current		
Grant received in advance	<u>89,696</u>	<u>79,249</u>
9. Provisions		
Current		
Employee entitlements	<u>22,443</u>	<u>15,146</u>
Non-current		
Employee entitlements	<u>-</u>	<u>-</u>
(a) Aggregate Employee liability	<u>22,443</u>	<u>15,146</u>
(b) Equivalent Full Time Number of employees at year end	<u>2</u>	<u>2</u>
10. Reconciliation of net cash inflows / (outflows) from operating activities		
Surplus / (deficit) for the year	(27,432)	6,579
Non cash items		
Depreciation	1,057	1,378
Change in assets and liabilities		
Decrease (Increase) in receivables	(65)	33,000
Decrease (Increase) in prepayments	1,198	5
Increase (Decrease) in payables	(1,076)	(2,314)
Increase (Decrease) in deferred income	10,447	14,281
Increase (Decrease) in provisions	<u>7,297</u>	<u>2,753</u>
Net cash inflows / (outflows) from operating activities	<u>(8,574)</u>	<u>55,682</u>

Diaspora Action Australia Inc.
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Notes to the Financial Statements
for the year ended 30 June 2017

11. Financial risk management

	Weighted Average interest rate	1 year or less		Total \$
		Floating interest rate \$	Non-interest bearing \$	
2017				
Financial assets				
Cash on hand			377	377
Cash at bank	0.55%	132,482		132,482
Receivables			65	65
		<u>132,482</u>	<u>442</u>	<u>132,924</u>
Financial liabilities				
Payables			14,029	14,029
			<u>14,029</u>	<u>14,029</u>
Net financial assets / (liabilities)		<u>132,482</u>	<u>(13,587)</u>	<u>118,895</u>
2016				
Financial assets				
Cash on hand			2,028	2,028
Cash at bank	0.90%	139,405		139,405
		<u>139,405</u>	<u>2,028</u>	<u>141,433</u>
Financial liabilities				
Payables			15,105	15,105
			<u>15,105</u>	<u>15,105</u>
Net financial assets		<u>139,405</u>	<u>(13,077)</u>	<u>126,328</u>

(a) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Diaspora Action Australia Inc. The Association has adopted a policy of only dealing with creditworthy parties as a means of mitigating the risk of financial loss from defaults.

(b) Interest Rate Risk Exposures

Exposures to interest rate are limited to assets and liabilities bearing variable rates.

(c) Net Fair Value of Financial assets and Liabilities

The Board considers that the carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair value.

Diaspora Action Australia Inc.
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Notes to the Financial Statements
for the year ended 30 June 2017

11. Financial risk management (continued)

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board which has built an appropriate liquidity risk management framework for the management of Diaspora Action Australia Inc's short, medium and long-term funding and liquidity management. The Association manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is minimal.

12. Related Parties

The following persons are Board Members at date of this Financial Report:

Committee Member	Position
Hala Abdelnour	Chair
Andrew Hewett	Deputy Chair
Jamie Han Chu	Treasurer
Lisa Vettori	Secretary
Aarathi Krishnan	Ordinary Member
Karen Medica	Ordinary Member
Mustafa Najib	Ordinary Member

No fees, salaries, bonuses or other remuneration were paid to the Board Members in their capacity as Board Members.

Transactions

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

2017	2016
\$	\$

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13. Association Details

The registered office and principal place of business of the Association is:

Level 6, Melbourne Polytechnic
20 Otter Street
Collingwood, Victoria, 3066

Diaspora Action Australia Inc.
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Statement by Members of the Board

In the opinion of the Board of Diaspora Action Australia Inc. (The Association):

- 1 The Financial Statements and notes set out on pages 3 to 12:
 - (a) comply with the Associations Incorporation Reform Act 2012 (Vic) and the Australian Charities and Not-for-profits Commission Act 2012; and
 - (b) give a true and fair view of the financial position of the Association as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Regulation 2013.
- 2 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made and signed in accordance with a resolution of the Management Board.

.....
Hala Abdelnour
Chair

.....
Jamie Han Chu
Treasurer

Dated this day of September 2017