



**MAHBOBA'S
PROMISE**
An Australian Aid Organisation

ANNUAL REPORT 2016-2017

Volume 2

ABN 85 254 682 685
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ISSUE C - FINAL

FULL FINANCIAL REPORT 2016-2017

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Cover Image:
One of the boys at the
confectionary factory
Photo: Kern Hendricks

Mahboba's Promise Incorporated

ABN 85 254 682 685

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The financial report covers Mahboba's Promise Incorporated as an individual entity. The financial report is presented in Australian currency.

FULL FINANCIAL REPORT

Mahboba's Promise Incorporated

ABN 85 254 682 685

Management Committee's Report

30 June 2017

The Committee members submit the financial report of Mahboba's Promise Incorporated (the "Association") for the financial year ended 30 June 2017.

Committee Members

The names of the committee members throughout the year and at the date of this report are:

Khurshida Ajam	Appointed	16/01/2012
Mohamed Ashraf	Appointed	15/12/2015
Narges Azizi	Appointed	15/12/2015
Manijah Hakim	Appointed	25/03/2014
Martin O'Dea	Appointed	16/01/2012
Mahboba Rawi	Appointed	16/01/2012
Kumar Sri-Pathma	Appointed	28/05/2013

Members of Committee Qualifications and Experience

NAME	EXPERIENCE	QUALIFICATION
Khurshida Ajam	Marketing Executive	MCom, BA Psychology
Mohamed Ashraf	Finance and Tax Consultant	Finance and Tax Consultant
Narges Azizi	Social Worker	-
Manijah Hakim	Team Leader, public administration	BAdEd MIS
Martin O'Dea	Landscape Architect	BLArch
Mahboba Rawi	Social Worker	OAM
Kumar Sri-Pathma	Financial Controller	CPA FCMA CGMA

Principal activities

Mahboba's Promise Incorporated is a not-for-profit organisation which has authority under section 13A of the *Charitable Fundraising Act 1991*, subject to compliance with the Act, the *Charitable Fundraising Regulation 2015* to raise funds for the welfare and development of widows and orphans primarily in Afghanistan. It raises funds through personal and corporate donations, sponsorships of widows and orphans and special events.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The surplus from ordinary activities of the Association for the financial year amounted to \$176,395 (2016: \$7,250).

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Management Committee's Report 30 June 2017

Summary of operations 2016-2017

Evaluation and Effectiveness

Mahboba's Promise Incorporated has three key Strategic goals for the 2015-2019 period:

- Goal 1: Empower Afghan women and children to make a positive and permanent impact on their lives and their community;
- Goal 2: Improve organisational effectiveness;
- Goal 3: Enhance relationships with stakeholders.

These goals reflect the organisation's commitment to transitioning from immediate aid assistance towards development programs that promote long term individual and community empowerment and capacity building through stronger organisational efficiency. These goals form the basis for Mahboba's Promise Incorporated's evaluation of effectiveness for its operations.

The projects implemented by Mahboba's Promise in the 2016-2017 financial year emphasises this commitment to permanent change for our beneficiaries over welfare dependency. The organisation conducts internal evaluations and reviews projects to monitor progress, risk management and beneficiary impact. Each project concept is developed and assessed on how its goal, objectives and outcomes align with the Strategic Plan. The development of a Logical Framework for each project breaks down the objectives, outputs and outcomes for the project being delivered as well as what means of verification and evidence is used to assess how well these are being achieved throughout. These are reviewed regularly in consultation with project staff in Kabul to understand what is working and where changes can be made for better progress.

Through regular communication with the Mahboba's Promise Afghanistan office, qualitative and quantitative data is collected from each project site to assist in the evaluation of project effectiveness and beneficiary impact. Mahboba's Promise Incorporated is in the processes of implementing a regular reporting system for each project which monitors progress in relation to financial management, beneficiary impact, internal operations and learning and growth outcomes to achieve a well-rounded understanding of project progress and outcomes.

Mahboba's Promise Incorporated encourages stakeholders to reach out to the organisation should they wish to offer feedback or make a complaint about an aspect of Mahboba's promise operations in Australia or Afghanistan. Mahboba's Promise Incorporated reviewed and updated its Complaints Handling Policy to make the process for reporting feedback and complaints easier and more inclusive. Mahboba's Promise Incorporated sees any complaint or feedback as a key way to make improvements within the internal operations of the organisation and the activities undertaken.

Mahboba's Promise Incorporated has maintained its strong development presence within Afghanistan for the 2016-2017 financial year and has experienced positive progress for key projects. The year was a turning point for cementing the organisation's commitment to strong organisational operations leading to sustainable development work with long term positive impact for beneficiaries. Education, whether it is formal schooling, vocational training or early childhood development, has been a key focus for the organisation.

Mahboba's Promise Incorporated has expanded operations into a new province this year with the opening of a community garden and greenhouse in Parwan province that offers learning and social networking opportunities for 60 widows in the local area whilst also providing regular access to nutritious fruit and vegetables for the widows' families.

The opening of the Kabul Early Education Centre during the financial year has seen a rapid growth in attendance rate with the project being so popular with the local Kabul community that more teaching staff have been hired to accommodate demand. The project commenced with 26 children attending, of which 6 were non-fee paying. As of the end of financial year, the centre has 62 children attending, of which 50 are fee paying. With fee-paying students subsidising the tuition costs for disadvantaged families, access to early education in the local area has been expanded. This ensures that more children can receive the social, educational and mental development offered by early education that eases the transition into formal schooling year. This project has been so successful that Mahboba's Promise has commenced work to open another centre at Panjshir Hope House in the coming months.

The confectionery factory owned and operated by Mahboba's Promise was the site of key vocational training for 30 widows and older orphans that ran over 6 months of this financial year. Training not only covered confectionery

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Management Committee's Report

30 June 2017

production and decoration, but also involved business management, accounting and marketing training. Training graduates now work as sales representatives, shop owners and marketing assistants as Mahboba's Promise seeks to expand the production and sales of confectionery. The factory was also awarded a one year contract to supply the Presidential palace in Kabul with confectionery, baked goods and other sweets. This sees the factory deliver 450-500kgs of products to the palace on a weekly basis. The confectionery factory is Mahboba's Promise Incorporated move towards social enterprise, with the factory operating completely self sufficiently.

Financial Health

The 2016-2017 fundraising year saw Mahboba's Promise Incorporated generate more than \$1 million in revenue as per the budgetary expectations of the organisation. This has allowed us to maintain our aid and development work within Afghanistan despite adverse conditions including other prominent international crises being the focus of international attention and a declining exchange rate between the Australian and United States currencies.

The exchange rate gradually deteriorated towards the end of the financial year with the average rate sitting at USD0.712416 to AUD1. Mahboba's Promise Incorporated introduced a number of cost saving measures within our Australian office to ensure the organisation's commitment to our beneficiaries in Afghanistan remained strong and the impact of the declining exchange rate had a minimum impact.

Mahboba's Promise Incorporated's operating ratios are quite healthy and as of the end of financial year the organisation's cash balance is sufficient to cover at least 10 months of actual expenses required to operate the organisation.

Future developments

The Association expects to maintain the present status and level of operations and hence there are no likely developments in the Association's operations. A new project was initiated towards the end of the financial year 2016-17 in Badakshan for orphans and widows.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Environmental Regulations

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of officers and auditors

The Association holds indemnity insurance cover for members of the Management Committees.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Management Committees' report for the year ended 30 June 2017.

Signed in accordance with a resolution of the Members of the Committee:

Committee member:
Khurshida Ajam

Committee member:
Kumar Sri-Pathma

Sydney
Dated this 26th day of October, 2017



AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE MEMBERS OF THE MANAGEMENT COMMITTEE OF MAHBOBA'S PROMISE INCORPORATED.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Nexia Sydney Partnership

Joseph Santangelo

Partner

Sydney

Dated 26 October 2017

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Independent Auditor's Report to the Members of Mahboba's Promise Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mahboba's Promise Incorporated (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Mahboba's Promise Incorporated's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

Directors' responsibility for the financial report

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

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

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015 (NSW)

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


Because of any inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements proscribed in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of

compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) The financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year ended 30 June 2017;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2017, in accordance with the *Charitable Fundraising Act 1991* and Regulations;
- c) Money received as a result of fundraising appeal activities conducted during the financial year ended 30 June 2017 has, in all material respects, been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



Nexia Sydney Partnership



Joseph Santangelo
Partner

Dated: 26 October 2017
Sydney

Mahboba's Promise Incorporated

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Statement by the Members of the Management Committee

The Management Committee of Mahboba's Promise Incorporated declare that, in their opinion:

- a) There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) The attached financial statements and notes thereto satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i) giving a true and fair view of the financial position and performance of the registered entity; and
 - ii) comply with Australian Accounting Standards- Reduced Disclosure Requirements.
- c) The provisions of the *Charitable Fundraising Act (NSW) 1991* and regulations under that Act and the conditions attaching to the authority to fundraise have been complied with; and
- d) The internal controls exercised by the company are appropriate and effective in accounting for all income received.

Signed in accordance with a resolution of the Board of Management/directors pursuant to *Regulation 60-15 of the Australian Charities and Not-for-profits Commission Regulation 2013*.



Khurshida Ajam
Committee Member



Kumar Sri-Pathma
Committee Member

Sydney
Dated

26. October 2017

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenues from continuing operations	4	1,110,541	992,005
Interest		10,079	8,837
Funds to international programs		(699,787)	(563,523)
Employee expenses		(138,713)	(176,979)
Depreciation expenses	5	(4,687)	(1,870)
Operating expenses		(101,038)	(251,220)
Surplus for the year		176,395	7,250
Other comprehensive income			
Other Comprehensive Income		-	-
Total comprehensive income		176,395	7,250

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	965,359	751,904
Other assets	7	53,320	84,974
TOTAL CURRENT ASSETS		1,018,679	836,878
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,235	5,672
TOTAL NON-CURRENT ASSETS		14,235	5,672
TOTAL ASSETS		1,032,914	842,550
LIABILITIES			
CURRENT LIABILITIES			
Other Creditors	9	12,310	15,974
Staff benefits	10	11,543	22,962
Unearned revenue		50,000	20,948
TOTAL CURRENT LIABILITIES		73,853	59,884
NON-CURRENT LIABILITIES			
Staff benefits	10	15,856	15,856
TOTAL NON-CURRENT LIABILITIES		15,856	15,856
TOTAL LIABILITIES		89,709	75,740
NET ASSETS		943,205	766,810
EQUITY			
Retained earnings		943,205	766,810
TOTAL EQUITY		943,205	766,810

The accompanying notes form part of these financial statements.

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Mahboba's Promise Incorporated

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Statement of Changes in Equity For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	766,810	766,810
Surplus for the year	176,395	176,395
Balance at 30 June 2017	943,205	943,205

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	759,560	759,560
Surplus for the year	7,250	7,250
Balance at 30 June 2016	766,810	766,810

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from operations		1,157,997	984,721
Operating payments		(954,621)	(962,107)
Interest received		10,079	8,837
Interest paid		-	(387)
Net cash from operating activities		<u>213,455</u>	<u>31,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for Property, plant and equipment		-	(417)
Net cash used by investing activities		<u>-</u>	<u>(417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		213,455	30,647
Cash and cash equivalents at beginning of year		751,904	721,257
Cash and cash equivalents at end of financial year	12(a)	<u>965,359</u>	<u>751,904</u>

The accompanying notes form part of these financial statements.

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Mahboba's Promise Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Reporting Entity

The Mahboba's Promise Incorporated (the "Association") is an Association domiciled in Australia and is registered as a Registrable Australian Body under the Associations Incorporation Act 2009. The address of the Association's registered office is Suite 4, 1 Avon Rd Road North Ryde, NSW 2113. The Association is a reporting entity.

2 Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Council for International Development Code of Conduct Financial Standards, the Associations Incorporation Act 2009 and the Constitution. It has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other appropriate professional reporting requirements and the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

The financial report is for the entity Mahboba's Promise Incorporated as an individual entity. Mahboba's Promise Incorporated is an association incorporated in New South Wales under the Associations Incorporation Act 2009.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements of Mahboba's Promise Incorporated comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australia Accounting Standards Board (AASB).

(b) Basis of measurement

The financial report is prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 10 – employee benefits.

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Notes to the Financial Statements For the Year Ended 30 June 2017

3 Summary of Significant Accounting Policies

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates, trade allowances and duties and taxes paid.

Donations and gifts

Donations and gifts are recognised as revenue when the company gains control or right to receive, economic benefits are probable, and the amount of the donation or gifts can be measured reliably.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Other income

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

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

(b) Property, plant and equipment

The depreciable amount of non-current assets is depreciated over the useful lives of the assets commencing from the time the asset is held ready for use.

(c) Depreciation

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- Plant & Equipment 5 – 10 years (20%-10%)
- Motor Vehicle 8 years (12.5%)

(d) Employee Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. The Company's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Income Tax

Mahboba's Promise Incorporated is authorised to raise funds in all the major states of Australia. As a not-for-profit fundraising organisation, Mahboba's Promise Incorporated has been endorsed by the ATO as being a Deductible Gift Recipient entity, and therefore is exempt from income tax.

(g) Retained Surpluses

Retained surpluses are maintained for the purpose of investing in future projects and are to be used solely to promote the objectives of the Association as set out in the Constitution.

(h) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The management committee has decided against early adoption of these Standards. None of these are expected to have a significant effect on the financial statements of the entity.

(i) Leases

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

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

(j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Notes to the Financial Statements For the Year Ended 30 June 2017

4 Revenue and other income

	2017	2016
	\$	\$
Donations & gifts	963,537	823,362
Grants	81,650	84,800
Other income	5,000	20,881
Revenue for welfare programs	60,354	62,962
	1,110,541	992,005

Mahboba's Promise Incorporated operates to provide assistance to the widows and children of Afghanistan through development and welfare projects.

The sponsorship program is the most significant fundraising activity. Donors apply to sponsor a widow or child and agree to remit a monthly amount of \$50 for a widow and \$35 for a child on a periodic basis, either monthly or annually. Sponsorship is used for individual and community development.

5 Expenses

	2017	2016
	\$	\$
Depreciation	4,687	1,870
Employee expenses		
Wages	130,131	144,112
Annual leave	(11,420)	11,802
Long service leave	-	1,856
Superannuation	11,862	19,209
Total employee expenses	130,573	176,979

6 Cash and Cash Equivalents

CURRENT		
Cash at bank and in hand	480,786	433,741
Cash held in Afghanistan	32,556	66,146
Short-term deposits	452,017	252,017
	965,359	751,904

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Notes to the Financial Statements For the Year Ended 30 June 2017

7 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	2,632	2,971
GST receivable	-	926
Other assets	50,688	81,077
Carrying amount at end of year	53,320	84,974

8 Property, plant and equipment

NON-CURRENT		
Plant and equipment		
At cost	13,149	13,149
Accumulated depreciation	(12,149)	(11,684)
	1,000	1,465
Motor vehicles		
At cost	9,864	9,864
Accumulated depreciation	(6,709)	(5,657)
	3,155	4,207
Computer		
At cost	13,250	-
Accumulated depreciation	(3,170)	-
	10,080	-
	14,235	5,672

Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment \$	Motor Vehicles \$	Computer \$	Total \$
Year ended 30 June 2017				
Balance at the beginning of year	1,465	4,207	-	5,672
Additions	-	-	13,250	13,250
Disposals - written down value	-	-	-	-
Depreciation	(465)	(1,052)	(3,170)	(4,687)
Balance at the end of the year	1,000	3,155	10,080	14,235

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2017

9 Other Creditors

	2017	2016
	\$	\$
CURRENT		
PAYG Withholding	3,474	5,764
FBT Payable	-	1,838
Other	8,836	8,372
	<u>12,310</u>	<u>15,974</u>

10 Employee Benefits

CURRENT		
Annual leave	11,543	22,962
NON-CURRENT		
Long service leave	15,856	15,856

11 Leasing Commitments

Operating leases

Minimum lease payments under non-cancelable operating leases:

- not later than one year	22,188	21,335
- between one year and five years	15,181	37,370
	<u>37,369</u>	<u>58,705</u>

12 Notes to statement of cash flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and held on deposit, at the end of the financial year as shown in the Statement of Cash Flows and the balance sheet as follows:

	2017	2016
	\$	\$
Cash at Bank	513,342	499,887
Fixed interest securities	452,017	252,017
	<u>965,359</u>	<u>751,904</u>

13 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2017

14 Related Party transactions

Key management personnel Compensation

Key management personnel compensation for the financial year ended 30 June 2016 is set out below. Of the key management personnel, Mahboba Rawi was a member of the Management Committee during the year and received remuneration for her role as Fundraising Manager for Afghanistan Projects. Mahboba Rawi received \$59,676 (2016: \$59,676) during the year. Other key personnel were the Operations Manager and the Treasurer.

	2017	2016
	\$	\$
Short-term benefits	117,120	179,925

15 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

Mahboba's Promise Incorporated
ABN 85 254 682 685
ACFID Formatted Financial Reports
As At 30 June 2017

ACFID Formatted Income Statement for the year ended 30 June 2017
(Statement of Profit or Loss and Other Comprehensive Income)

	2017 \$	2016 \$
REVENUE		
Donations & Gifts		
Monetary	916,826	823,362
Non-monetary	13,250	-
Grants		
Aus AID	-	-
Other Australian	81,650	84,800
Other Overseas	-	-
Investment Income	10,079	8,837
Other income	38,474	20,881
Revenue for welfare programs	60,341	62,962
Total Revenue	1,120,620	1,000,842
EXPENDITURE		
International Aid and Development Programs Expenditure		
International programs		
Funds to international programs - Development	574,046	563,523
Welfare Projects	53,830	55,796
Program support cost	101,273	141,389
Community education	17,913	17,206
Fundraising costs		
Public	120,455	156,272
Government, multilateral and private	-	693
Accountability and Administration	54,550	50,915
Domestic programs expenditure	22,158	7,800
Total International Aid and Development Programs Expenditure	944,225	993,594
Total Expenditure	944,225	993,594
Excess of revenue over expenditure	176,395	7,248

Note: During the financial year, the agency had no transactions in the Political or Religious Adherence Promotion Programs category or in the Domestic category.

Mahboba's Promise Incorporated
ABN 85 254 682 685

ACFID Formatted Balance Sheet
As At 30 June 2017

(Statement of Financial Position)

	2017	2016
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	965,359	751,904
Trade and other receivables	53,320	74,097
Inventories	-	-
Asset held for sale	-	-
Other financial assets	-	10,877
Total Current Assets	1,018,679	836,878
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	14,235	5,672
Investment Property	-	-
Intangibles	-	-
Other non-current assets	-	-
Total Non Current Assets	14,235	5,672
TOTAL ASSETS	1,032,914	842,550
LIABILITIES		
Current Liabilities		
Trade and other payables	8,836	8,372
Borrowings	-	-
Current tax liabilities	3,474	7,602
Other financial liabilities	-	-
Provisions	11,543	22,962
Unearned revenue	50,000	20,948
Other	-	-
Total Current Liabilities	73,853	59,884
Non-Current Liabilities		
Provisions	15,856	15,856
Total Non-Current Liabilities	15,856	15,856
TOTAL LIABILITIES	89,709	75,740
NET ASSETS	943,205	766,810
EQUITY		
Reserves	-	-
Retained Earnings	943,205	766,810
TOTAL EQUITY	943,205	766,810

Mahboba's Promise Incorporated
ABN 85 254 682 685

ACFID Statement of Changes in Equity
For the Year Ended 30 June 2017

	Retained Earnings	Reserves	Total
	\$	\$	\$
BALANCE AT 1 JULY 2016	766,810	-	766,810
Adjustments or changes in equity due to, for example, adoptions of new accounting standards items of other comprehensive income	-	-	-
Excess of revenue over expenses	176,395	-	176,395
Other amounts transferred (to) or from reserves	-	-	-
BALANCE AT 30 JUNE 2017	943,205	-	943,205

Mahboba's Promise Incorporated
ABN 85 254 682 685

ACFID Formatted Table of Cash Movements for Designated Purposes
For the Year Ended 30 June 2017

Designated Purpose or Appeal

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the organisation's international aid and development revenue for the financial year.

The Summary Financial Report has been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guidance available at www.acfid.asn.au.



INDEPENDENT AUDITOR'S REPORT

To the members of Mahboba's Promise Incorporated

We have audited the summarized Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of Mahboba's Promise Incorporated on pages 20 to 23 of the Financial Statements for the year ended 30 June 2017 in accordance with the Australian Auditing Standards.

Opinion

In our opinion, the information reported in the ACFID summarized financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed our audit opinion in our report to the members. For a better understanding of the scope of our audit this report should be read in conjunction with our audit report on the annual statutory financial report.

Nexia Sydney Partnership

Joseph Santangelo Partner

Dated: 26 October 2017
Sydney

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Widows at Hope House • Khalid Malikzada



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We would like to thank our corporate sponsors Bio-Distributors: Biodynamic & Organic wholesalers of Tasmania www.biodistributors.com.au for sponsoring our Annual Report. Bio-Distributors have done this for many years now and we feel this small acknowledgement with each Report does not do them justice. Thank you very much.



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web: www.mahbobaspromise.org

Contact: Mahboba Rawi

ABN 85 254 682 685

ABRN 135 823 880



Deductible Gift Recipient Status

Monetary donations of \$2 or more to Mahboba's Promise can be directly claimed as tax deductions with the Australian Taxation Office.

Complaints

Mahboba's Promise has a process for handling any complaints about it. Please direct your complaint to the Operations Manager by calling the office on (02) 9887 1665 or by email to office@mahbobaspromise.org

ACFID code of conduct

Mahboba's Promise is a member of The Australian Council for International Development (ACFID) and adheres to the ACFID Code of Conduct which is a voluntary, self-regulatory sector code of good practice. Complaints relating to a breach of the Code can be made to ACFID and information about how to make a complaint can be found at www.acfid.asn.au.



Afghan NGO Status

Our implementing partner in Afghanistan Mahboba's Promise NGO is an observer member of the Agency Coordinating Body for Afghan Relief (ACBAR)



Photo Credits

Khalid Malikzada

Kern Hendricks



**MAHBOBA'S
PROMISE**

An Australian Aid Organisation

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