



**MAHBOBA'S
PROMISE**

An Australian Aid Organisation

ANNUAL REPORT 2017-2018

Volume 2

ABN 85 254 682 685
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ISSUE B FINAL

FULL FINANCIAL REPORT 2017-2018

TABLE OF CONTENTS

Cover Image:
One of the boys at Panjshir
Valley Hope House.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Contents

For the Year Ended 30 June 2018

	Page
Financial Statements	
Management Committee's Report	1
Auditors Independence Declaration	4
Independent Auditor's Report	5
Management Committees' Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
ACFID Financial Reports	19
Independent Audit Report	22

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 2018

The Committee members submit the financial report of Mahboba's Promise Incorporated (the "Association") for the financial year ended 30 June 2018.

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
	Completed term	19/12/2017
Narges Azizi	Appointed	15/12/2015
	Completed term	19/12/2017
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
Tamana Cina	Appointed	19/12/2017
Shirin Dawood	Appointed	19/12/2017

Members of Committee Qualifications and Experience

NAME	EXPERIENCE	QUALIFICATION
Khurshida Ajam	Marketing Executive	MCom, BA Psychology
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
Tamana Cina	Social Worker	-
Shirin Dawood	Accountant	CPA

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 \$160,083 (2017: \$176,395).

Mahboba's Promise Incorporated

ABN 85 254 682 685

Management Committee's Report

30 June 2018

Summary of operations 2017-2018

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 toward sustainable development programs that promote long-term individual and community progress. These goals form the basis for Mahboba's Promise Incorporated's evaluation of effectiveness for its operations.

Mahboba's Promise Incorporated is committed to permanent change for our beneficiaries, rather than welfare dependency. The organisation conducts regular internal evaluations and reviews of projects to monitor progress, risk management and beneficiary impact. These reviews are undertaken in consultation with the project staff in Kabul of our Implementing Partner Mahboba's Promise Afghanistan. This is done to better understand what is working and where changes can be made for future progress.

We have regular communication with the Mahboba's Promise Afghanistan office. Over the last year we have been improving this communication process. This has enabled us to better understand the direct outcomes of all of our current programmes.

Mahboba's Promise Incorporated encourages stakeholders to contact 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 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 2017-2018 financial year and has experienced sustainable progress for key projects such as Badakhshan Hope House, Permaculture Farm and Confectionery Factory. This year's work adhered to the organisation's commitment to effective organisational operation and sustainable development, ensuring long-term positive impact for beneficiaries. Education and vocational training has been a key focus for the organisation.

Mahboba's Promise Incorporated began construction of the new Hope House in Badakhshan Province this year. The Hope House will operate as a community outreach hub for orphans and widows in the Province of Badakhshan. While work is taking place, the current orphans are residing in a new building, rented within the centre of Faizabad.

Mahboba's Promise Permaculture Farm continues to undergo significant growth in terms of fresh produce and sustainability. We saw another good year of production, with enough fruit and vegetables to feed the children of the Hope Houses and the remaining surplus produce was sold at the local market. A selection of tomato produce was even exported to India. The project is primarily providing the Hope Houses with nutritious food such as fruits and vegetables. Any income generated is then invested back into operational and training costs.

The confectionery factory owned and operated by Mahboba's Promise was the key site for vocational training for Half-way House orphans transitioning into greater society. Training not only covered confectionery

Mahboba's Promise Incorporated

ABN 85 254 682 685

Management Committee's Report 30 June 2018

production and decoration, but also involved business management, accounting and marketing training. Trained graduates now work as sales representatives, shop owners and marketing assistants. The project is now completely self-sufficient and as such, is generating an income for Mahboba's Promise Incorporated.

Financial Health

The 2017-2018 fundraising year saw Mahboba's Promise Incorporated generate more than \$1.1 million in revenue. This was about 10% higher than budgetary expectations. 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 budgeted exchange rate (AUD/USD) for the year was USD 0.7500 to AUD 1. However, we received an average rate of 0.7750 for the year due to favourable forward cover contracts. 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 12 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. The construction and operation of Badakhshan Hope House will continue into the 2018-2019 financial year.

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

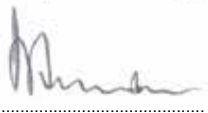
The Association holds indemnity insurance cover for members of the Management Committees.

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 2018.

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

Committee member: 
Khurshida Ajam

Committee member: 
Kumar Sri-Pathma

Sydney

Dated: 9/11/2018



Auditor's Independence Declaration under Sub-division 60-40 of the *Australian Charities and Not-for-profit 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 2018 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 9 November 2018

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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 Association), which comprises the statement of financial position as at 30 June 2018, 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 Management Committee's declaration.

Basis for opinion

Other information

The Management Committee 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 2018, 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.

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.

Management Committee's responsibility for the financial report

The Management Committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Management Committee 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 Management Committee are responsible for assessing the Association'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 Management Committee either intend to liquidate the Association 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.

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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: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

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 prescribed 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 2018;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2018, 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 2018 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 Association will be able to pay its debts as and

Nexia Sydney Partnership

Joseph Santangelo

Partner

Dated: 9 November 2018

Sydney

Mahboba's Promise Incorporated

ABN 85 254 682 685

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 Ajan
Committee Member



Kumar Sri-Pathma
Committee Member

Sydney

Dated 09.11.2018

Mahboba's Promise Incorporated

ABN 85 254 682 685

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenues and other income	4	1,101,646	1,110,541
Interest		13,553	10,079
Funds to international programs		(717,309)	(699,787)
Employee expenses	5	(126,182)	(138,713)
Depreciation expenses	5	(5,623)	(4,687)
Operating expenses		(106,002)	(101,038)
Surplus for the year		160,083	176,395
Other comprehensive income			
Other Comprehensive Income		-	-
Total comprehensive income		160,083	176,395

The accompanying notes form part of these financial statements.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Statement of Financial Position As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,073,000	965,359
Other assets	7	70,946	53,320
TOTAL CURRENT ASSETS		1,143,946	1,018,679
NON-CURRENT ASSETS			
Plant and equipment	8	14,963	14,235
TOTAL NON-CURRENT ASSETS		14,963	14,235
TOTAL ASSETS		1,158,909	1,032,914
LIABILITIES			
CURRENT LIABILITIES			
Other Creditors	9	13,040	12,310
Employee benefits	10	35,996	11,543
Unearned revenue		6,583	50,000
TOTAL CURRENT LIABILITIES		55,619	73,853
NON-CURRENT LIABILITIES			
Employee benefits	10	-	15,856
TOTAL NON-CURRENT LIABILITIES		-	15,856
TOTAL LIABILITIES		55,619	89,709
NET ASSETS		1,103,290	943,205
EQUITY			
Retained earnings		1,103,290	943,205
TOTAL EQUITY		1,103,290	943,205

The accompanying notes form part of these financial statements.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	943,205	943,205
Surplus for the year	160,083	160,083
Balance at 30 June 2018	1,103,288	1,103,288

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

The accompanying notes form part of these financial statements.

10

Mahboba's Promise Incorporated

ABN 85 254 682 685

Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from operations		1,087,787	1,157,997
Operating payments		(987,348)	(954,621)
Interest received		13,553	10,079
Net cash from operating activities		<u>113,991</u>	<u>213,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for plant and equipment		<u>(6,350)</u>	-
Net cash used by investing activities		<u>(6,350)</u>	-
Net increase in cash and cash equivalents		107,641	213,455
Cash and cash equivalents at beginning of year		<u>965,359</u>	<u>751,904</u>
Cash and cash equivalents at end of financial year	12(a)	<u><u>1,073,000</u></u>	<u><u>965,359</u></u>

The accompanying notes form part of these financial statements.

11

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

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 74 Agincourt Rd, Marsfield NSW 2122. 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.
- Note 14 – related parties.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

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.

(I) 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.

(II) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

(III) Interest Revenue

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

(IV) 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 Benefits

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

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

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.

(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) 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.

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

4 Revenue and other income

	2018	2017
	\$	\$
Donations & gifts	933,458	963,537
Grants	122,761	81,650
Other income	5,000	5,000
Revenue for welfare programs	40,427	60,354
	1,101,646	1,110,541

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

	2018	2017
	\$	\$
Depreciation	5,623	4,687
Employee expenses		
Wages	103,400	130,131
Annual leave	7,099	(11,420)
Long service leave	1,498	-
Training & Development (Staff)	255	-
Superannuation	9,430	11,862
Volunteer expenses	4,500	8,140
Total employee expenses	126,182	138,713

6 Cash and Cash Equivalents

CURRENT		
Cash at bank and in hand	404,414	480,786
Cash held in Afghanistan	12,769	32,556
Short-term deposits	655,817	452,017
	1,073,000	965,359

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

7 Other Assets

	2018	2017
	\$	\$
CURRENT		
Trade receivables	15,000	-
Prepayments	3,070	2,632
Other assets	52,876	50,688
Carrying amount at end of year	<u>70,946</u>	<u>53,320</u>

8 Plant and equipment

NON-CURRENT		
Plant and equipment		
At cost	19,499	13,149
Accumulated depreciation	(12,566)	(12,149)
	<u>6,933</u>	<u>1,000</u>
Motor vehicles		
At cost	9,864	9,864
Accumulated depreciation	(7,497)	(6,709)
	<u>2,367</u>	<u>3,155</u>
Computer		
At cost	13,250	13,250
Accumulated depreciation	(7,587)	(3,170)
	<u>5,663</u>	<u>10,080</u>
	<u>14,963</u>	<u>14,235</u>

Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of 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 2018				
Balance at the beginning of year	1,000	3,155	10,080	14,235
Additions	6,350	-	-	6,350
Disposals - written down value	-	-	-	0
Depreciation	(417)	(788)	(4,417)	(5,622)
Balance at the end of the year	<u>6,933</u>	<u>2,367</u>	<u>5,663</u>	<u>14,963</u>

Mahboba's Promise Incorporated

ABN 85 254 682 685

Notes to the Financial Statements For the Year Ended 30 June 2018

9 Other Creditors

	2018	2017
	\$	\$
CURRENT		
PAYG Withholding	3,490	3,474
Other	9,550	8,836
	<u>13,040</u>	<u>12,310</u>

10 Employee Benefits

CURRENT		
Annual leave	18,642	11,543
Long Service Leave	17,354	-
	<u>35,996</u>	<u>11,543</u>
NON-CURRENT		
Long service leave	-	15,856
	<u>-</u>	<u>15,856</u>

11 Leasing Commitments

Operating leases

Minimum lease payments under non-cancelable operating leases:

- not later than one year	13,618	22,188
- between one year and five years	56,915	15,181
	<u>70,533</u>	<u>37,369</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:

	2018	2017
	\$	\$
Cash at Bank	410,669	513,342
Fixed interest securities	662,331	452,017
	<u>1,073,000</u>	<u>965,359</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 2018

14 Related Party transactions

Key management personnel Compensation

Key management personnel compensation for the financial year ended 30 June 2018 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. Other key personnel include was the Treasurer.

	2018	2017
	\$	\$
Short-term benefits	106,296	117,120

In 2018, expenditure payments for Mahboba Rawi include a total of \$10,746. These consist of Remittances to Afghanistan for living allowance as well as phone and internet expense payments.

15 Contingencies and Commitments

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None).

16 Charitable Fundraising disclosure

During the year, the entity received gross income from fundraising activities of \$233,774 (2017: \$325,466). The total costs incurred in respect of fundraising were 79,317 (2017: \$98,668).

	2018	2017
	\$	\$
Fundraising income	233,774	325,466
Staff Costs	(77,975)	(88,262)
Costs of fundraising	(1342)	(10,406)
	154,457	226,798

Fundraising Activities (ratios)	2018		2017	
	\$	%	\$	%
Total cost of fundraising	79,317	34%	98,668	30%
Gross income from fundraising	233,774		325,466	
Net Surplus from fundraising	154,457	66%	226,798	70%
Gross income from fundraising	233,774		325,466	
Total cost of services provided	1,342	2%	10,406	10.5%
total expenditure	79,317		98,668	
Total cost of services provided	1,342	0.6%	10,406	3%
Gross income from fundraising	233,774		325,466	

Mahboba's Promise Incorporated
ABN 85 254 682 685
ACFID Formatted Financial Reports
As At 30 June 2018

ACFID Formatted Income Statement for the year ended 30 June 2018
(Statement of Profit or Loss and Other Comprehensive Income)

	2018	2017
	\$	\$
REVENUE		
Donations & Gifts		
Monetary	857,455	916,826
Non-monetary	-	13,250
Grants		
Aus AID	-	-
Other Australian	122,761	81,650
Other Overseas	-	-
Investment Income	13,552	10,079
Other income	40,428	38,474
Revenue for welfare programs	81,003	60,341
Total Revenue	1,115,199	1,120,620
EXPENDITURE		
International Aid and Development Programs Expenditure		
International programs		
Funds to international programs - Development	569,845	574,046
Welfare Projects	78,602	53,830
Program support cost	94,557	101,273
Community education	8,360	17,913
Fundraising costs		
Public	115,623	120,455
Accountability and Administration	54,804	54,550
Domestic programs expenditure	33,325	22,158
Total International Aid and Development Programs Expenditure	955,116	944,225
Total Expenditure	955,116	944,225
Excess of revenue over expenditure	160,083	176,395

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 2018

(Statement of Financial Position)

	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	1,073,000	965,359
Trade and other receivables	63,928	46,302
Inventories	-	-
Asset held for sale	-	-
Other financial assets	7018	7,018
Total Current Assets	1,143,946	1,018,679
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	14,963	14,235
Investment Property	-	-
Intangibles	-	-
Other non-current assets	-	-
Total Non Current Assets	14,963	14,235
TOTAL ASSETS	1,158,909	1,032,914
LIABILITIES		
Current Liabilities		
Trade and other payables	9,346	8,592
Borrowings	-	-
Current tax liabilities	3,694	3,718
Other financial liabilities	-	-
Provisions	35,996	11,543
Unearned revenue	6,583	50,000
Other	-	-
Total Current Liabilities	55,619	73,853
Non Current Liabilities		
Provisions	-	15,856
Total Non-Current Liabilities	-	15,856
TOTAL LIABILITIES	55,619	89,709
NET ASSETS	1,103,290	943,205
EQUITY		
Reserves	-	-
Retained Earnings	1,103,290	943,205
TOTAL EQUITY	1,103,290	943,205

Mahboba's Promise Incorporated
ABN 85 254 682 685

ACFID Statement of Changes in Equity
For the Year Ended 30 June 2018

	Retained Earnings	Reserves	Total
	\$	\$	\$
BALANCE AT 1 JULY 2017	943,205	-	943,205
Adjustments or changes in equity due to, for example, adoptions of new accounting standards items of other comprehensive income	-	-	-
Excess of revenue over expenses	160,083	-	160,083
Other amounts transferred (to) or from reserves	-	-	-
BALANCE AT 30 JUNE 2018	1,103,288	-	1,103,288



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 19 to 21 of the Financial Statements for the year ended 30 June 2018 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: 9 November 2018
Sydney

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Widow working at Permaculture Farm



Sponsors thank you

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.



Mahboba's Promise Inc. Australia

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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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Mahboba feeding one of our Hope House babies - Photo Credit Kern Hendricks