



ANNUAL REPORT 2018-2019

Volume 2

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ISSUE B

FULL FINANCIAL REPORT 2018-2019

TABLE OF CONTENTS

Cover Image:
One of our students from
Abdara Girls Schools
Photo: Khalid Malikzada

Mahboba's Promise Incorporated

Contents

30 June 2019

Management committee's report	2
Auditor's independence declaration	5
Independent auditor's report to the members of Mahboba's Promise Incorporated	6
Management committee's declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
ACFID financial reports	21
ACFID audit report	23

General information

The financial statements cover Mahboba's Promise Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Mahboba's Promise Incorporated's functional and presentation currency.

Mahboba's Promise Incorporated is a not-for-profit incorporated association.

The financial statements were authorised for issue on 8th November 2019.

FULL FINANCIAL REPORT

Mahboba's Promise Incorporated Management committee's report 30 June 2019

The Committee members submit the financial report of Mahboba's Promise Incorporated (the "Association") for the financial year ended 30 June 2019.

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
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
Sadaf 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
Sadaf 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 and 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 \$75,335 (2018: \$160,083).

**Mahboba's Promise Incorporated
Management committee's report
30 June 2019**

Summary of operations 2018-2019

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 2018-2019 financial year and has experienced sustainable progress for key projects such as Badakhshan Hope House, Permaculture Farm and Confectionery Factory. This year's work as in past years 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.

Hope House has operated as a community outreach hub for orphans and widows in the Province of Badakhshan and is progressing well.

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 House 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 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.

**Mahboba's Promise Incorporated
Management committee's report
30 June 2019**

Financial Health

The 2018-2019 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 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 5 and forms part of the Management Committee's report for the year ended 30 June 2019.

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


Committee member:
Khurshida Ajam


Committee member:
Kumar Sri-Pathma

Sydney
Dated: 8th November 2019

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 2019 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



Stephen Fisher

Partner

Sydney

Dated: 8 November 2019

5

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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 2019, 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.

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

- i) giving a true and fair view of the Association's financial position as at 30 June 2019 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 Association 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.

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

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6

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

Nexia Sydney Partnership



Stephen Fisher
Partner

Dated: 8 November 2019
Sydney

Mahboba's Promise Incorporated
Management committee's declaration
30 June 2019

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

- 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
- The attached financial statements and notes thereto satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) giving a true and fair view of the financial position and performance of the registered entity; and
 - (b) comply with Australian Accounting Standards- Reduced Disclosure Requirements.
- 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
- 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

8th November 2019

Mahboba's Promise Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenues and other income	4	1,070,105	1,101,646
Interest		16,697	13,553
Funds to international programs		(769,482)	(717,309)
Employee expenses	5	(138,749)	(126,182)
Operating expenses		(95,928)	(106,002)
Depreciation expense	8	<u>(7,308)</u>	<u>(5,623)</u>
Surplus for the year attributable to the members of Mahboba's Promise Incorporated		75,335	160,083
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Mahboba's Promise Incorporated		<u><u>75,335</u></u>	<u><u>160,083</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

9

Mahboba's Promise Incorporated
Statement of financial position
As at 30 June 2019

	Note	2019	2018
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	1,178,164	1,073,000
Other assets	7	28,513	70,946
Total current assets		<u>1,206,677</u>	<u>1,143,946</u>
Non-current assets			
Property, plant and equipment	8	15,384	14,963
Total non-current assets		<u>15,384</u>	<u>14,963</u>
Total assets		<u>1,222,061</u>	<u>1,158,909</u>
Liabilities			
Current liabilities			
Other creditors	9	11,645	13,040
Employee benefits	10	31,791	35,996
Unearned revenue	11	-	6,583
Total current liabilities		<u>43,436</u>	<u>55,619</u>
Total liabilities		<u>43,436</u>	<u>55,619</u>
Net assets		<u>1,178,625</u>	<u>1,103,290</u>
Equity			
Retained surplus		<u>1,178,625</u>	<u>1,103,290</u>
Total equity		<u>1,178,625</u>	<u>1,103,290</u>

The above statement of financial position should be read in conjunction with the accompanying notes

10

Mahboba's Promise Incorporated
Statement of changes in equity
For the year ended 30 June 2019

	Retained surplus \$	Total equity \$
Balance at 1 July 2017	943,207	943,207
Surplus for the year	160,083	160,083
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>160,083</u>	<u>160,083</u>
Balance at 30 June 2018	<u>1,103,290</u>	<u>1,103,290</u>
	Retained surplus \$	Total equity \$
Balance at 1 July 2018	1,103,290	1,103,290
Surplus for the year	75,335	75,335
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>75,335</u>	<u>75,335</u>
Balance at 30 June 2019	<u>1,178,625</u>	<u>1,178,625</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

11

Mahboba's Promise Incorporated
Statement of cash flows
For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from operations		1,108,774	1,087,787
Operating payments		(1,012,578)	(987,349)
Interest received		<u>16,697</u>	<u>13,553</u>
Net cash from operating activities		<u>112,893</u>	<u>113,991</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	<u>(7,729)</u>	<u>(6,350)</u>
Net cash used in investing activities		<u>(7,729)</u>	<u>(6,350)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		105,164	107,641
Cash and cash equivalents at the beginning of the financial year		<u>1,073,000</u>	<u>965,359</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,178,164</u></u>	<u><u>1,073,000</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

12

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 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 Road, Marsfield NSW 2122. The Association is a reporting entity.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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.

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.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5-10 years (20%-10%)
Motor vehicle	8 years (12.5%)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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.

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.

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.

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 4. Revenues and other income

	2019	2018
	\$	\$
Donations & gifts	1,036,646	933,458
Grants	30,042	122,761
Other income	3,000	5,000
Revenue for welfare programs	417	40,427
	<u>1,070,105</u>	<u>1,101,646</u>

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.

Note 5. Employee expenses

	2019	2018
	\$	\$
Wages	126,346	103,400
Annual leave	(5,847)	7,099
Long service leave	1,642	1,498
Training & development (staff)	-	255
Superannuation	11,288	9,430
Volunteer expenses	5,320	4,500
	<u>138,749</u>	<u>126,182</u>

Note 6. Cash and cash equivalents

	2019	2018
	\$	\$
<i>Current</i>		
Cash on hand	233	185
Cash at bank	438,584	404,229
Short-term deposits	711,854	655,817
Cash held in Afghanistan	27,493	12,769
	<u>1,178,164</u>	<u>1,073,000</u>

Note 7. Other assets

	2019	2018
	\$	\$
<i>Current</i>		
Trade receivables	4,113	15,000
Other assets	21,405	52,876
Prepayments	2,995	3,070
	<u>28,513</u>	<u>70,946</u>

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 8. Property, plant and equipment

	2019	2018
	\$	\$
<i>Non-current</i>		
Plant and equipment - at cost	19,499	19,499
Less: Accumulated depreciation	<u>(13,411)</u>	<u>(12,566)</u>
	<u>6,088</u>	<u>6,933</u>
Motor vehicles - at cost	9,864	9,864
Less: Accumulated depreciation	<u>(8,089)</u>	<u>(7,497)</u>
	<u>1,775</u>	<u>2,367</u>
Computer - at cost	20,978	13,250
Less: Accumulated depreciation	<u>(13,457)</u>	<u>(7,587)</u>
	<u>7,521</u>	<u>5,663</u>
	<u><u>15,384</u></u>	<u><u>14,963</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment \$	Motor vehicles \$	Computer \$	Total \$
Balance at 1 July 2018	6,933	2,367	5,663	14,963
Additions	-	-	7,729	7,729
Depreciation expense	<u>(845)</u>	<u>(592)</u>	<u>(5,871)</u>	<u>(7,308)</u>
Balance at 30 June 2019	<u><u>6,088</u></u>	<u><u>1,775</u></u>	<u><u>7,521</u></u>	<u><u>15,384</u></u>

Note 9. Other creditors

	2019	2018
	\$	\$
<i>Current</i>		
PAYG withholding	4,451	3,490
Other	<u>7,194</u>	<u>9,550</u>
	<u><u>11,645</u></u>	<u><u>13,040</u></u>

Note 10. Employee benefits

	2019	2018
	\$	\$
<i>Current</i>		
Annual leave	12,795	18,642
Long service leave	<u>18,996</u>	<u>17,354</u>
	<u><u>31,791</u></u>	<u><u>35,996</u></u>

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 11. Unearned revenue

	2019 \$	2018 \$
<i>Current</i>		
Deferred revenue	-	6,583

Note 12. Leasing commitments

	2019 \$	2018 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	14,443	13,618
One to five years	42,473	56,915
	<u>56,916</u>	<u>70,533</u>

Note 13. Notes to statement of cash flows

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:

	2019 \$	2018 \$
Cash at bank	463,923	410,669
Fixed interest securities	714,241	662,331
	<u>1,178,164</u>	<u>1,073,000</u>

Note 14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 15. Related party transactions

Key management personnel compensation

Key management personnel compensation for the financial year ended 30 June 2019 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 financial controller.

	2019 \$	2018 \$
Short-term benefits	106,582	106,296

In 2019, expenditure payments for Mahboba Rawi include a total of \$9,306. These consist of Remittances to Afghanistan for living allowance as well as phone and internet expense payments.

Mahboba's Promise Incorporated
Notes to the financial statements
30 June 2019

Note 16. Contingencies and commitments

In the opinion of the committee of management, the association did not have any contingencies at 30 June 2019 (30 June 2018: None).

Note 17. Charitable fundraising disclosure

During the year, the entity received gross income from fundraising activities of \$373,970 (2018: \$233,774). The total costs incurred in respect of fundraising were \$82,945 (2018: \$79,317).

	2019 \$	2018 \$
Fundraising income	373,970	233,774
Staff costs	(80,672)	(77,975)
Costs of fundraising	<u>(2,273)</u>	<u>(1,342)</u>
	<u>291,025</u>	<u>154,457</u>

Fundraising activities (ratios)

	2019 \$	2019 %	2018 \$	2018 %
Total cost of fundraising	82,945	-	79,317	-
Gross income from fundraising	373,970	22.00%	233,774	34.00%
Net surplus from fundraising	291,025	-	154,457	-
Gross income from fundraising	373,970	78.00%	233,774	66.00%
Total cost of services provided	2,273	-	1,342	-
Total expenditure	82,945	2.70%	79,317	2.00%
Total cost of services provided	2,273	-	1,342	-
Gross income from fundraising	373,970	0.60%	233,774	0.06%

**ACFID Formatted Income Statement for the year ended 30 June 2019
(Statement of Profit or Loss and Other Comprehensive Income)**

	2019 \$	2018 \$
REVENUE		
Donations & Gifts		
Monetary	963,528	857,455
Non-monetary	-	-
Bequests & Legacies	750	--
Grants		
Aus AID	-	-
Other Australian	30,042	122,761
Other Overseas	-	-
Investment Income	16,697	13,552
Other income	5,475	40,428
Revenue for welfare programs	70,310	81,003
Total Revenue	1,086,802	1,115,199
EXPENDITURE		
International Aid and Development Programs Expenditure		
International programs		
Funds to international programs - Development	590,892	569,845
Welfare Projects	62,041	78,602
Program support cost	99,650	94,557
Community education	3,992	8,360
Fundraising costs		
Public	120,369	115,623
Accountability and Administration	61,871	54,804
Domestic programs expenditure	64,611	33,325
Other expenses	8,040	-
Total International Aid and Development Programs Expenditure	1,011,466	955,116
Total Expenditure	1,011,466	955,116
Excess of revenue over expenditure	75,336	160,083

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

Mahboba's Promise Incorporated
ACFID financial reports
30 June 2019

ACFID Formatted Balance Sheet
(Statement of Financial Position)

	2019 \$	2018 \$
ASSETS		
Current Assets		
Cash and cash equivalents	1,178,165	1,073,000
Trade and other receivables	28,513	63,928
Inventories	-	-
Asset held for sale	-	-
Other financial assets	-	7,018
Total Current Assets	1,206,678	1,143,946
Non Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	15,384	14,963
Investment Property	-	-
Intangibles	-	-
Other non-current assets	-	-
Total Non Current Assets	15,384	14,963
TOTAL ASSETS	1,222,062	1,158,909
LIABILITIES		
Current Liabilities		
Trade and other payables	3,397	9,346
Borrowings	-	-
Current tax liabilities	4,001	3,694
Other financial liabilities	-	-
Provisions	31,791	35,996
Unearned revenue	-	6,583
Other	4,247	-
Total Current Liabilities	43,436	55,619
Non-Current Liabilities		
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	43,436	55,619
NET ASSETS	1,178,626	1,103,290
EQUITY		
Reserves	-	-
Retained Surplus	1,178,626	1,103,290
TOTAL EQUITY	1,178,626	1,103,290

Mahboba's Promise Incorporated
ACFID financial reports
30 June 2019

(ACFID Statement of Changes in Equity)

	Retained Surplus \$	Reserves \$	Total \$
BALANCE AT 1 JULY 2018	1,103,290	-	1,103,290
Adjustments or changes in equity due to, for example, adoptions of new accounting standards items of other comprehensive income	-	-	-
Excess of revenue over expenses	75,336	-	75,336
Other amounts transferred (to) or from reserves	-	-	-
BALANCE AT 30 JUNE 2019	1,178,626	-	1,178,626

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 22 of the Financial Statements for the year ended 30 June 2019 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



Stephen Fisher
Partner

Dated: 8 November 2019
Sydney

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Contact: Mahboba Rawi

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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)



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**MAHBOBA'S
PROMISE**

An Australian Aid Organisation

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