

2020-2021 Financial overview

An independent audit of Mahboba's Promise Incorporated's financial accounts for the year 2019 2020 was conducted by:

Stephen Fischer
(Partner)

**Nexia Sydney Partnership Chartered
Accountants**

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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 21 December 2021.



Mahboba's Promise Incorporated Management committees' report For the year ended 30 June 2021

The Committee members submit the financial report of Mahboba's Promise Incorporated (the "Association") for the financial year ended 30 June 2021.

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
Mahboba Rawi	Appointed	16/01/2012
Shirin Dawood	Appointed	19/12/2017
Shehana Talib	Appointed	26/11/2019
Nawid Cina	Appointed	26/11/2019
Kajol Moopnar	Appointed	23/12/2020



Members of Committee Qualifications and Experience

Name	Experience	Qualification
Khurshida Ajam	Marketing Executive	MCom, BA Psychology
Manijah Hakim	Team Leader	BAdEd MIS
Mahboba Rawi	Social Worker	OAM
Shirin Dawood	Accountant	CPA
Shehana Talib	Superannuation and Law	IT
Nawid Cina	Operations MP	Law/International Studies
Kajol Moopnar	Lawyer	Juris Doctor in Law
Asad Z. Ahmed	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 \$695,460 (2020: \$258,581).

Summary of operations 2020-2021

EVALUATION AND EFFECTIVENESS

Mahboba's Promise Incorporated has three key Strategic goals for the 2020-2021 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.

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 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 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 2020-2021 fundraising year saw Mahboba's Promise Incorporated generate more than \$1.6 million in revenue. This was about 30% 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 0.6800 to AUD 1. However, we received an average rate of 0.7000 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 reduced level of operations with ongoing projects in Afghanistan.

After Balance Date Events

Taliban's forceful takeover of government has created disturbance in the regular operations in Afghanistan in the first quarter of the new financial year. Emergency Relief fund was launched to assist the displaced families camped out of Kabul.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other 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

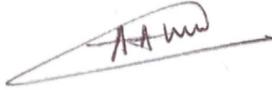
The lead auditor's independence declaration is set out on page 5 and forms part of the Management Committees' report for the year ended 30 June 2021.

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



Committee member:

Khurshida Ajam



Committee member:

Asad Z. Ahmed

Sydney
Dated: 21/12/2021

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 2021 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

Nexia Sydney Audit Pty Ltd



Stephen Fisher

Director

Sydney

Dated: 21 December 2021

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 2021, 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 2021 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which explains that Mahboba's Promise is an Australian non-profit voluntary organisation dedicated to the widows and children of Afghanistan. However, due to ongoing political unrest in Afghanistan there is significant doubt that the association will be able to continue to fulfil its objectives. This civil unrest has already brought some practical challenges such as the inability to transfer of funds to Afghanistan due to all banks being non-operational. These events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 2021 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

Nexia Sydney Audit Pty Ltd

Fisher

Stephen Fisher

Director

Sydney

Dated: 21 December 2021

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 2021;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2021, 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 2021 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 when they fall due.

Nexia

Nexia Sydney Audit Pty Ltd



Stephen Fisher

Director
Dated: 21 December 2021
Sydney

Mahboba's Promise Incorporated Management committees' declaration For the year ended 30 June 2021

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.



Committee member:

Khurshida Ajam



Committee member:

Asad Z. Ahmed

Sydney

Dated: 21/12/2021

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenues and other incomes	4	1,632,016	1,302,771
Interest		7,749	12,871
Funds to international programs		(532,059)	(792,746)
Funds to domestic programs		(132,936)	(32,161)
Employee expenses	5	(152,096)	(120,076)
Operating expenses		(103,330)	(91,788)
Depreciation expense - right-of-use assets	8	(13,101)	(12,386)
Depreciation expense	9	(10,783)	(7,904)
<hr/>			
Surplus for the year attributable to the members of Mahboba's Promise Incorporated		695,460	258,581
Other comprehensive income for the year		-	-
<hr/>			
Total comprehensive income for the year attributable to the members of Mahboba's Promise Incorporated		695,460	258,581
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* The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,186,761	1,491,526
Other assets	7	7,640	77,622
Total current assets		2,194,401	1,569,148
Non-current assets			
Right-of-use assets	8	23,299	34,060
Property, plant and equipment	9	24,155	30,286
Total non-current assets		47,454	64,346
Total assets		2,241,855	1,633,494
Liabilities			
Current liabilities			
Other creditors	10	39,642	68,984
Lease liabilities	11	13,505	12,166
Employee benefits	12	24,474	40,887
Unearned revenue	13	20,733	51,602
Total current liabilities		98,354	173,639
Non-current liabilities			
Lease liabilities	11	10,835	22,649
Total non-current liabilities		10,835	22,649
Total liabilities		109,189	196,288
Net assets		2,132,666	1,437,206
Equity			
Retained surplus		2,132,666	1,437,206
Total equity		2,132,666	1,437,206

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2021

	Retained surplus \$	Total Equity \$
Balance as at 1 July 2019	1,178,625	1,178,625
Surplus for the year	258,581	258,581
Other comprehensive income for the year	-	-
Total comprehensive income for the year	258,581	258,581
Balance as at 30 June 2020	1,437,206	1,437,206

	Retained surplus \$	Total Equity \$
Balance as at 1 July 2020	1,437,206	1,437,206
Surplus for the year	695,460	695,460
Other comprehensive income for the year	-	-
Total comprehensive income for the year	695,460	695,460
Balance as at 30 June 2021	2,132,666	2,132,666

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

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from operations		1,885,484	1,263,821
Operating payments		(1,180,531)	(940,524)
Interest received		7,749	12,871
Net cash from operating activities		712,702	336,168
Cash flows from investing activities			
Payments for property, plant and equipment		(4,652)	(22,806)
Net cash used in investing activities	9	(4,652)	(22,806)
Cash flows from financing activities			
Repayment of lease liabilities		(12,815)	-
Net cash used in financing activities		(12,815)	-
Net increase in cash and cash equivalents		695,235	313,362
Cash and cash equivalents at the beginning of the financial year		1,491,526	1,178,164
Cash and cash equivalents at the end of the financial year	6	2,186,761	1,491,526

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

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2021

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.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

Mahboba's Promise is an Australian non-profit voluntary organisation dedicated to the widows and children of Afghanistan. However, due to ongoing political unrest in Afghanistan there is a significant doubt that the association would will be able to continue to fulfil its objectives. This civil unrest has already brought some practical challenges such as the inability to transfer of funds to Afghanistan due to all banks being nonoperational. These events or conditions indicate that a material uncertainty exists that may limit the Association's ability to continue as a going concern.

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.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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 in accordance with AASB 1058.

Interest

Interest revenue is recognised as interest accrued 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.

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%)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the incorporated association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The incorporated association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

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.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4. REVENUE AND OTHER INCOME

	Retained surplus \$	Total Equity \$
Donations & gifts	1,474,572	1,243,806
Grants	125,643	30,278
Other income	2,650	26,494
Revenue for welfare programs	14,151	2,193
Covid-19 stimulus	15,000	-
	1,632,016	1,302,771

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

	2021 \$	2020 \$
Wages	153,096	98,473
Annual leave	(4,063)	4,550
Long service leave	(12,349)	4,546
Superannuation	13,221	9,807
Volunteer expenses	2,191	2,700
	152,096	120,076

NOTE 6. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Current	112	251
Cash on hand	705,699	589,122
Cash at bank	1,466,049	763,415
Short-term deposits	14,901	138,738
Cash held in Afghanistan	2,186,761	1,491,526

NOTE 7. OTHER ASSETS

	2021 \$	2020 \$
Current Trade receivables	4,608	5,000
Other assets	3,032	62,593
Prepayments		10,029
	7,640	77,622

NOTE 8. RIGHT-OF-USE ASSETS

	2021 \$	2020 \$
Non-current assets		
Land & buildings -right-of-use	46,446	46,446
Less: Accumulated depreciation	(24,772)	(12,386)
Computer equipment - right-of-use	21,674	34,060
Less: Accumulated depreciation	(715)	-
	1,625	-
	23,299	34,060

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

	2021 \$	2020 \$
Non-current		
Plants and equipment - at cost	19,499	19,499
Less: Accumulated depreciation	(15,016)	(14,257)
	4,483	5,242
Motor Vehicle - at cost	32,670	32,670
Less: Accumulated depreciation	(19,002)	(11,969)
	13,668	20,701
Computer - at cost	25,630	20,978
Less: Accumulated depreciation	(19,626)	(16,635)
	6,004	4,343
	24,155	30,286

RECONCILIATIONS

	Plant and equipment \$	Motor vehicles \$	Computer \$	Total \$
Balance at 1 July 2020				
Additions	5,242	20,701	4,343	30,286
Depreciation expense	-	-	4,652	4,652
Balance 30 June 2021	(759)	(7,033)	(2,991)	(10,782)
	4,483	13,668	6,004	24,155

NOTE 10. OTHER CREDITORS

	2021 \$	2020 \$
Current		
PAYG withholding	8,871	5,350
Other	30,771	63,634
	39,642	68,984

NOTE 11. LEASE LIABILITIES

	2021 \$	2020 \$
Current liabilities		
Lease liability	13,505	12,166
Non-current liabilities		
Lease liability	10,835	22,649

NOTE 12. EMPLOYEE BENEFITS

	2021 \$	2020 \$
Current liabilities		
Lease liability	13,505	12,166
Non-current liabilities		
Lease liability	10,835	22,649

NOTE 13. UNEARNED REVENUE

	2021 \$	2020 \$
Current		
Deferred revenue	20,733	51,602

NOTE 14. NOTE TO STATEMENT OF CASH FLOW

	2021 \$	2020 \$
Cash at bank	720,712	710,995
Fixed interest securities	1,466,049	780,531
	2,189,761	1,491,526

NOTE 15. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, vaccination, quarantine, travel restrictions and any economic stimulus that may be provided.

As outlined in note 2 there has been significant political change due to the resurgence of the Taliban in Afghanistan. This has cast doubt on the entity's ability to continue their operations given the restrictions and sanctions imposed on Afghanistan around travel and the transfer of money.

Management is continually assessing the situation and its impact on the association. Management is continually assessing the impact of political situation in Afghanistan after it entered into a civil war with Taliban. This crisis has adversely impacted the operations of the association and could impact its ability to continue as a going concern.

No other matter or circumstance has arisen since 30 June 2021 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 16. RELATED PARTY TRANSACTIONS

Key management personnel compensation Key management personnel compensation for the financial year ended 30 June 2021 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 included were Sadiq Rawi (CEO) up until September 2020.

	2021 \$	2020 \$
Short-term benefits	102,300	111,463
Other long-term benefits	7,277	10,059
	109,577	121,522

NOTE 17. CONTINGENCIES AND COMMITMENTS

In the opinion of the committee of management, the association did not have any contingencies at 30 June 2021 (30 June 2020:None).

NOTE 18. CHARITABLE FUNDRAISING DISCLOSURE

During the year, the entity received gross income from fundraising activities of \$152,928 (2020: \$322,353). The total costs incurred in respect of fundraising were \$70,451 (2020: \$51,417).

	2021 \$	2020 \$
Fundraising income	152,928	322,353
Staff costs	(70,451)	(49,192)
Costs of fundraising	-	(2,225)
	82,477	270,936

NOTE 18. CHARITABLE FUNDRAISING DISCLOSURE (CONTINUED)

	2021	2021	2020	2020
	\$	%	\$	%
Total cost of fundraising	70,451	-	51,417	-
Gross income from fundraising	152,928	46.00%	322,353	16.00%
Net surplus from fundraising	52,999	-	270,935	-
Gross income from fundraising	152,928	54.00%	322,353	84.00%
Total cost of services provided	-	-	2,225	-
Total expenditure	70,451	-	51,417	4.30%
Total cost of services provided	-	-	2,225	-
Gross income from fundraising	152,928	-	322,353	0.70%

ACFID financial reports

FOR THE YEAR ENDED 30 JUNE 2021 (STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME)

Revenue	2021 \$	2020 \$
Donations & Gifts		
Monetary	1,242,475	1,152,803
Non monetary	-	-
Bequests & Legacies	-	-
Grants	-	-
Department of foreign Aafairs and trade	-	-
Other australian	125,643	30,278
Other overseas	-	-
Investment Income	7,749	12,871
Other income	58,172	32,776
Revenue for welfare programs	205,727	86,914
Total revenue	1,639,766	1,315,642
Expenditure	2021 \$	2020 \$
International aid and development programs expenditure		
International programs		
Funds to international programs - development	514,856	640,724
Program support costs	62,037	110,220
Community education	6,080	8,512
Fundraising costs		
Public	101,358	96,276
Government	4,987	480
Accountability and Administration	109,711	70,494
Total international aid and development programs expenditure	799,029	926,708
Domestic programs expenditure	136,691	40,605
Expenditure for welfare programs	8,586	89,748
Total expenditure	944,306	1,057,061
Excess of revenue over expenditure	695,460	258,581

* During the financial year, the association had no transactions in the Political or Religious Adherence Promotion Programs category

ACFID financial reports

30 JUNE

ACFID FORMATTED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

Revenue	2021 \$	2020 \$
Assets		
Current assets		
Cash and cash equivalents	2,186,761	1,491,526
Trade and other receivables	7,640	77,622
Other	6,309	-
Total current assets	2,200,710	1,569,148
Non current assets		
Property, plant and equipment	47,455	64,346
Total non current assets	47,455	64,346
Total assets	2,248,165	1,633,494
Liabilities		
Current liabilities		
Trade and other payments	33,675	5,899
Current tax liabilities	12,278	12,844
Other financial liabilities	45,073	104,267
Provisions	24,472	40,887
Other	-	9,740
Total current liabilities	115,498	173,369
Non current liabilities		
Other financial liabilities	-	22,649
Total non current liabilities	-	22,469
Total liabilities	115,498	196,288
Net assets	2,132,666	1,437,206
Equity		
Reserves	-	-
Retained earnings	2,132,666	1,437,206
Total equity	2,132,666	1,437,206

ACFID financial reports

30 JUNE 2021 (ACFID STATEMENT OF CHANGES IN EQUITY)

Revenue	Retained surplus \$	Reserves \$	Total \$
Balance at 1 July 2020	1,437,206	-	1,437,206
Adjustments or changes in equity due to, for example, adoptions of new accounting standards	-	-	-
Items of other comprehensive income	-	-	-
Excess of revenue over expenses	695,460	-	695,460
Other amounts transferred (to) or from reserves	-	-	-
Balance at 30 June 2021	2,132,666	-	2,132,666

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 23 to 25 of the Financial Statements for the year ended 30 June 2021 in accordance with the Australian Auditing Standards.

Opinion

In our opinion, the information reported in the ACFID summarised 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 Audit Pty Ltd



Stephen Fisher
Director

Dated: 21 December 2021
Sydney





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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)