

**AUSTRALIAN PEOPLE FOR HEALTH, EDUCATION
AND DEVELOPMENT ABROAD INCORPORATED
ABN 76 425 451 089**

**FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2020**

TABLE OF CONTENTS

Corporate Information	3
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Responsible Entities' Declaration	25
Statement by Principal Officer	26
Independent Auditor's Report	27

CORPORATE INFORMATION

Australian People for Health, Education and Development Abroad Incorporated (the "Association") is an incorporated association registered in NSW, a Public Benevolent Institution, a charity registered with the Australian Charities and Not-for-profits Commission, and a member of the Australian Council for International Development (ACFID).

The Association was formed for the purpose of providing relief to people in developing countries who are afflicted by distress, poverty, suffering and misfortune. The association aims to provide relief to the afflicted persons by education, vocational and skills training, development projects, and any other similar assistance with a view to making afflicted persons self-reliant.

COMMITTEE MEMBERS

The following Committee Members (Responsible Entities) were in office at the date of this report.

Mr Angelo Gavrielatos	Chairperson	Senior Consultant, Education International
Ms Michele O'Neil	Vice Chairperson	President, Australian Council of Trade Unions (ACTU)
Mr Mark Lennon	Honorary Treasurer	Former Secretary, Unions NSW
Mr Andrew Dettmer	Committee Member	National President, Australian Manufacturing Workers Union
Ms Marjorie O'Callaghan	Honorary Secretary	United Workers Union
Mr Michael Wright	Committee Member	National Assistant Secretary, Electrical Trades Union
Ms Lori-Anne Sharp	Committee Member	Assistant Federal Secretary, Australian Nursing and Midwifery Foundation
Ms Danae Bosler	Committee Member	Chief of Staff-Politics, Digital and Research, Victorian Trades Hall Council
Ms Michelle Robertson	Committee Member	Senior Industrial Officer, Australian Services Union
Betty Hounslow	Appointed Expert	Former Deputy Chief Executive Officer, Fred Hollows Foundation

Executive Officer

Katrina Lee

Charity Street Address and Principal Place of Business

Level 1, 365-375 Sussex Street
Sydney NSW 2000

Auditor

Grant Thornton

Auditor's Independence Declaration

To the Responsible Entities of Australian People for Health, Education and Development Abroad Incorporated

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Australian People for Health, Education and Development Abroad Incorporated for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance

Sydney, 19 November 2020

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
REVENUE			
Revenue from continuing operations	2	6,799,739	4,740,611
Interest and investment income		27,994	161,576
Total revenue and other income		6,827,733	4,902,187
DISBURSEMENTS			
Funds to overseas projects		5,002,432	3,463,217
Other project costs		547,782	571,835
Fundraising – public		478,217	527,847
Fundraising – government		19,840	18,897,
Community education		247,440	259,375
Administration expenses		167,119	186,664
Non-monetary expenses		169,220	231,084
Total disbursements	3	6,632,050	5,258,919
Surplus/(Deficit) for the year		195,683	(356,732)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		195,683	(356,732)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**AUSTRALIAN PEOPLE FOR HEALTH, EDUCATION AND DEVELOPMENT ABROAD
INCORPORATED**

ABN. 76 425 451 089

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,702,787	1,996,718
Trade and other receivables		65,350	39,461
TOTAL CURRENT ASSETS		<u>1,768,137</u>	<u>2,036,179</u>
NON-CURRENT ASSETS			
Plant & equipment	5	17,230	25,795
Right of use assets	6	303,151	-
Financial assets	7	2,259,933	2,488,416
TOTAL NON-CURRENT ASSETS		<u>2,580,314</u>	<u>2,514,211</u>
TOTAL ASSETS		<u>4,348,451</u>	<u>4,550,390</u>
CURRENT LIABILITIES			
Trade and other payables	8	131,541	54,664
Contract liabilities	9	490,463	1,380,159
Provisions	10	361,758	266,182
Lease liabilities	11	31,076	
TOTAL CURRENT LIABILITIES		<u>1,014,838</u>	<u>1,701,005</u>
NON-CURRENT LIABILITIES			
Provisions	10	22,398	12,209
Lease liabilities	11	278,356	-
TOTAL NON-CURRENT LIABILITIES		<u>300,754</u>	<u>12,209</u>
TOTAL LIABILITIES		<u>1,315,592</u>	<u>1,713,214</u>
NET ASSETS		<u>3,032,859</u>	<u>2,837,176</u>
FUNDS			
Accumulated funds	12	3,032,859	2,837,176
TOTAL FUNDS		<u>3,032,859</u>	<u>2,837,176</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**AUSTRALIAN PEOPLE FOR HEALTH, EDUCATION AND DEVELOPMENT ABROAD
INCORPORATED**

ABN. 76 425 451 089

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	ACCUMULATED FUNDS \$	TOTAL FUNDS \$
BALANCE AT 1 JULY 2018		3,193,908	3,193,908
Operating deficit		(356,732)	(356,732)
Other comprehensive income		-	-
Total comprehensive loss		<u>(356,732)</u>	<u>(356,732)</u>
BALANCE AT 30 JUNE 2019	12	<u>2,837,176</u>	<u>2,837,176</u>
BALANCE AT 1 JULY 2019		2,837,176	2,837,176
Operating surplus		195,683	195,683
Other comprehensive income		-	-
Total comprehensive income		<u>195,683</u>	<u>195,683</u>
BALANCE AT 30 JUNE 2020	12	<u>3,032,859</u>	<u>3,032,859</u>

The above Statement of Changes in Funds should be read in conjunction with the accompanying notes.

**AUSTRALIAN PEOPLE FOR HEALTH, EDUCATION AND DEVELOPMENT ABROAD
INCORPORATED**

ABN. 76 425 451 089

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and contributions		5,652,268	4,328,929
Payments for projects and administration		(6,172,939)	(4,928,307)
Interest and investment income received		27,994	161,576
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	<u>(492,677)</u>	<u>(437,802)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	-
Net movement in fair value of financial assets		228,483	(129,902)
NET CASH INFLOW FROM INVESTING ACTIVITIES		<u>228,483</u>	<u>(129,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease liabilities		(29,737)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(29,737)</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(293,931)	(567,704)
Cash and cash equivalents at beginning of year		<u>1,996,718</u>	<u>2,564,422</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	<u>1,702,787</u>	<u>1,996,718</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

Australian People for Health, Education and Development Abroad Incorporated (the "Association") is an Association incorporated in NSW under the Associations Incorporation Act 2009 and registered with the Australian Charities and Not-for-profits Commission.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Australia Charities and Not-for-profits Commission Act 2012, the Charitable Funding Act 1991 and the requirements of the Associations Incorporation Act NSW 2009.

The financial report is presented in Australian currency and has also been prepared on an historical cost basis.

The financial report of the Association for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Committee on 19 November 2020.

New and amended standards adopted

The Association has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

The Association has elected to adopt these new accounting standards using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated.

(b) Revenue

Revenue comprises revenue from the government funding, other grants, donations, fundraising and interest income.

Nature of change in accounting policy from adoption of AASB 15 and AASB 1058

The key changes to the Association's accounting policies and the impact on the financial report from applying AASB 15 and AASB 1058 are described below.

Income in advance

Under AASB 1004, revenue from a non-reciprocal grant or contribution that is not subject to conditions is recognised when the Association obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer. Having reviewed the amounts received in relation to Management & Monitoring, these do not relate to a performance obligation which has resulted in the recognition of revenue which falls under AASB 1058 and therefore revenue recognised upfront.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

The Association's services are supported by grants received from the government

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Government grants

Grant revenue arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Membership income

Where the consideration from membership subscriptions consists of a recurring fixed amounts over the term of the contract and the member receives and consumes the benefits of the services as the Association provides them then revenue is recognised on a straight line basis over the term of the contract. Costs are recognised on an accrual basis.

Income recognition policy under AASB 1058

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Association at significantly below its fair value.

Once the asset has been recognised, the Association recognises any related liability amounts (e.g. provisions, financial liabilities, contract liabilities). Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Interest income

Interest revenue is recognised on a proportional basis using the effective interest method, taking into account the interest rates applicable to the financial assets.

(c) Income tax

The Association is registered with the Australian Charities and Not-for-profits Commission and is exempt from payment of income tax under Australian taxation legislation.

(d) 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 payables in the balance sheet are shown inclusive of GST.

(e) Impairment of assets

At each reporting date, the Association assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

(f) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Financial instruments (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Financial instruments (continued)

The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(g) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and at call deposits held with financial institutions.

(h) Plant and equipment

Plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Furniture and fittings	4-8 years
- Motor Vehicles	5 years
- Office Lease	10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. There was no indication of impairment of plant and equipment at 30 June 2020. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

(i) Leases

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. The Association has does not have any leases to be recognized under the new standard. AASB 16 defines the lease as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". Subject to the exemptions, the lessee is recognised on the balance sheet. This involves recognising a 'right-of-use' asset and a lease liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Leases (continued)

The only exception are short-term leases that have a remaining lease term of less than 12 months from the date of initial application (1 January 2019) and low-value leases. Lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

The lease liability is initially measured as the present value of future lease payments. The initial measurement of the right-of-use asset is based on the lease liability, with adjustments for any prepaid rents, lease incentives received and initial direct costs incurred. In subsequent periods, the lease liability is accounted for similarly to a financial liability using the effective interest method. The right-of-use asset is accounted for similarly to a purchased asset and depreciated.

Rental expenses incurred relating to operating lease payments reversed against lease liability and interest according to AASB 16.

Financial report impact of adoption of AASB 16

The following measures and practical expedients have been used on transition:

- Contracts which had previously been assessed as not containing leases under AASB 117 and associated accounting interpretations were not re-assessed on transition to AASB 16
- a single discount rate was applied to all leases with similar characteristics;
- leases with an expiry date prior to 30 June 2020 were excluded from the statement of financial position and the lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- hindsight was used when determining the lease term where the contract contains options to extend or terminate the lease.

The Association leases properties including its head office which has a lease term of 10 years. This lease does not include a renewal option to allow the Association to review and increases in lease commitments may occur in line with CPI increases.

At inception of a contract, the Association assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Association has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The Association has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Leases (continued)

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Association has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Trade and other payables

These amounts represent unpaid liabilities for goods received and services provided to the Association prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 to 60 days.

(k) Contract liabilities

Contract liabilities is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after the reporting date or the conditions will only be satisfied more than twelve months after the reporting date, the liability is discounted and presented as non-current.

(l) Employee entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements, the discount rate being the national government bond rate at balance date, with terms to maturity and currency that match as closely as possible to the estimated future cash flow. Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

(m) Foreign currency transactions

Transactions in foreign currencies are initially measured and brought to account at the rate of exchange in effect at the date of each transaction. Foreign currency monetary items outstanding at balance date are translated at the spot rate current at balance date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(n) Accounting estimates and judgments

Critical accounting estimates and assumptions

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Provisions – Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Revenue recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the Association, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions. Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
2. REVENUE FROM CONTINUING OPERATIONS		
Revenue from contracts with customers – AASB 15		
Government grants	3,613,017	1,673,518
Grants – overseas agencies	462,577	589,455
Member subscriptions	62,420	79,875
Other income	19,219	7,962
	4,157,233	2,350,810
Income recognised under AASB 1058		
Donations and fundraising	1,858,206	1,919,017
Other grants	164,085	-
Non-monetary income	169,220	231,084
Union grants and donations	244,495	239,700
COVID-19 stimulus funding	206,500	-
	2,642,506	2,389,801
	6,799,739	4,740,611
3. EXPENSES		
Expenses includes the following specific expenses:		
Depreciation of plant and equipment	8,565	8,565
Depreciation right of use asset – office	36,018	-
Finance expense lease - office	15,263	-
Rental expense – operating leases	4,798	66,681
Salaries and wages expense	1,283,199	1,223,938
Employee superannuation expense	217,195	182,638
4. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,702,787	1,996,718
5. PLANT & EQUIPMENT		
Motor Vehicle – cost	42,925	42,925
Less accumulated depreciation	(25,695)	(17,130)
	17,230	25,795
<i>Movements in carrying amounts:</i>		
Balance at the beginning of year	25,795	34,360
Additions	-	-
Disposals	-	-
Depreciation	(8,565)	(8,565)

**AUSTRALIAN PEOPLE FOR HEALTH, EDUCATION AND DEVELOPMENT ABROAD
INCORPORATED**

ABN. 76 425 451 089

Balance at the end of year 17,230 25,795

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
6. RIGHT OF USE ASSETS		
Initial recognition at 1 July	339,169	-
Depreciation charge	(36,018)	-
	303,151	-
7. FINANCIAL ASSETS		
Investments managed by ifsinvest held at fair value through profit or loss:		
Cash	379,217	611,155
Fixed interest securities	1,221,945	1,184,237
Australian equities	276,842	314,287
International equities	263,734	275,219
Property trusts and other	118,195	103,518
	2,259,933	2,488,416
8. TRADE & OTHER PAYABLES		
Sundry creditors and accrued charges	131,541	54,664
9. CONTRACT LIABILITIES		
Unspent project funds	490,463	1,380,159
10. PROVISIONS		
CURRENT		
Annual leave	174,837	167,397
Long service leave	136,688	77,275
Overseas staff pension entitlements	50,233	21,510
	361,758	266,182
NON – CURRENT		
Long service leave	22,398	12,209
	22,398	12,209

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$	
11. LEASE LIABILITIES			
CURRENT			
Lease liabilities	31,076	-	
 NON – CURRENT			
Lease liabilities	278,356	-	
	309,432	-	
 12. ACCUMULATED FUNDS			
	General \$	Project funding reserve \$	Total \$
Balance at the beginning of year	882,477	1,954,699	2,837,176
Net surplus for the year	69,563	126,120	195,683
Balance at the end of year	952,040	2,080,819	3,032,859

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets.

14. EVENTS AFTER THE BALANCE SHEET DATE

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

15. RELATED PARTY DISCLOSURES

There are no other related party transactions.

Key Management Personnel include the Committee and the Executive Officer. The Committee members do not receive any remuneration for acting as committee members of the Association. Committee Members may receive reimbursement for expenses incurred in their duties as Committee Members.

Total Key Management Personnel Compensation	130,726	126,224
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
16. CASH FLOW INFORMATION		
Reconciliation of Cash Flows from Operations with Surplus/(Deficit)		
Surplus/(Deficit) for the year	195,683	(356,732)
Non-Cash Flows:		
Depreciation- ROU assets and PPE	44,583	8,565
Changes in Assets and Liabilities		
(Increase)/decrease in receivables	(25,889)	319,892
(Decrease)/increase in trade and other payables	76,877	(168,186)
(Decrease)/increase in contract liabilities	(889,696)	49,412
(Decrease)/increase in provisions	105,765	(290,753)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(492,677)</u>	<u>(437,802)</u>
 17. SUMMARY OF DETAILED OPERATING ACCOUNT		
Net surplus/(deficit) for the year - General Account	18 69,563	(126,766)
Net surplus/(deficit) for the year - Projects Account	19 126,120	(229,966)
NET OPERATING DEFICIT FOR THE YEAR	<u>195,683</u>	<u>(356,732)</u>
 18. DETAILED OPERATING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020 - GENERAL ACCOUNT INCOME		
Donations - ACTU	244,494	239,700
Union Grants	15,000	15,000
Development Education In kind	12,783	13,829
Fundraising - Raffles	-	67,390
Fundraising - Annual Dinners	56,787	42,759
Fundraising - Other	10,789	19,106
Members Subscriptions	62,420	79,875
Project Administration - Received	857,859	659,641
Donations to General Account	43,962	231,985
Interest and Investment Return Received	9,413	77,662
Sundry Income	229,237	4,735
	<u>1,542,744</u>	<u>1,451,682</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
18. DETAILED OPERATING ACCOUNT (CONT.) FOR THE YEAR ENDED 30 JUNE 2020 - GENERAL ACCOUNT			
EXPENDITURE			
ACFID		23,267	27,777
Accountancy Charges		1,021	1,183
Audit Fees		17,292	18,516
Bank Charges and Duties		266	257
Computer Expenses		16,421	29,690
Development Education in kind		12,783	13,829
Field Review Costs		1,324	23,151
Fundraising – Raffles		7,229	18,895
Fundraising - General		12,005	8,130
Fundraising - Dinners		27,646	23,718
Legal Fees		24,750	14,882
Insurance		6,056	13,015
Licences and Registration		115	6,192
Depreciation Expense - Lease		36,018	-
Interest Expense - Lease		15,263	-
Postage		2,317	925
Printing and Promotion		5,632	8,741
Provision for Annual and Long Service Leave		77,042	71,210
Recruitment		-	-
Property lease expenses and Electricity		35,085	67,901
Repairs and Maintenance		-	-
Salaries		977,685	1,028,570
Staff Amenities		334	305
Stationery		1,835	1,767
Superannuation		146,349	142,490
Telephone and Facsimile		6,333	8,403
Training and Conferences		962	4,981
Travel in Australia		18,152	27,481
TOTAL EXPENDITURE		1,473,182	1,578,447
NET SURPLUS/(DEFICIT) FOR THE YEAR – GENERAL		69,563	(126,766)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
18. DETAILED OPERATING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020 - PROJECTS ACCOUNT			
Donations – Non Monetary		156,437	217,255
Donations – General Overseas Projects		1,344,331	1,353,234
Grants: DFAT		3,511,968	1,553,068
Grants – Overseas Agencies		462,577	589,455
Grants - Other		136,364	120,450
Interest and Investment Return Received		18,582	83,915
Union Skillslink Donations		506,145	130,000
Other Income		6,443	62,770
TOTAL REVENUE		6,142,847	4,110,147
 DISBURSEMENTS			
FUNDS TO OVERSEAS PROJECTS			
Non-Monetary All programs		156,437	217,255
 Middle East Regional Training Programs		2,231,465	468,839
 Southern Africa Regional Training Programs		91,088	111,833
 South East Asian Regional Training Programs			
- Philippines		71,288	83,999
- Laos		107,229	197,234
- Timor Leste		383,445	425,076
- Cambodia		261,258	411,974
- Vietnam		354,642	362,809
- Myanmar/Thai Burma Border		650,119	748,929
- Asbestos		728,107	620,773
 Southern Pacific Regional Training Programs			
- PNG/Solomons/Samoa		36,437	20,956
 Other Regions			
- Other		87,352	10,746
Total funds to overseas projects		5,158,868	3,680,472
 ADMINISTRATION		857,859	659,641
Total Disbursements		6,016,727	4,340,113
		126,120	(229,966)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

19. VOLUNTEER SERVICES FOR COMMUNITY EDUCATION

During the year volunteers worked in Development Education in Australia for a total of 330 hours. The contribution of these middle professional volunteers has been calculated at \$38.74 / hour. This amount of \$12,783 has been included in the Operating Statements of APHEDA.

20. VOLUNTEER SERVICES FOR OVERSEAS PROJECTS

During the year volunteers worked on overseas projects outside Australia for a total of 3,167 hours at \$43.38-62.35/hour. These total contributions of \$156,437 have been reflected in the overseas projects accounts above.

21. DONATIONS OF GOODS IN KIND

During the year donors gave non-monetary donations of goods to the value of \$Nil (2019: \$Nil).

	2020	2019
	\$	\$
22. INFORMATION RELATING TO FUNDRAISING AND DONATIONS		
(a) Details of Aggregate Gross Income and Total Expenditure of Fundraising Appeals		
Gross Proceeds from Fundraising Appeals		
Donations	1,789,989	1,780,579
Raffles	-	67,390
Functions and special events	67,520	71,048
	1,857,509	1,919,017
Direct Costs of Fundraising Appeals		
Donations	438,009	463,261
Raffles	-	18,895
Functions and special events	40,207	33,257
	478,217	515,413
Net Surplus from Fundraising Appeals	1,379,292	1,403,604

The surplus from Fundraising is applied to the charitable purposes of APHEDA.
See Note 23 for details of cash held at year end available for application in future periods, and cash movements during the year from all sources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**23. TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES
FOR THE YEAR ENDED 30 JUNE 2020**

DFAT Funded Projects	Cash Raised During Financial Year				Cash Disbursed During Financial Year		Cash available at end of year
	Cash available at start of year	DFAT Income	Interest	APHEDA income	DFAT disbursed during year	APHEDA disbursed during year	
Middle East	1,177,723	1,466,657	-	-	2,153,918	-	490,462
ANCP	-	1,322,735	551	399,147	1,323,286	399,147	-
Total	1,177,723	2,789,392	551	399,147	3,477,204	399,147	490,462
APHEDA Funded Projects							
Other Projects	(113,135)	-	18,582	1,525,162	-	1,126,082	304,527
APHEDA General Account Accumulated Funds	932,130	-	9,413	1,012,505	-	1,046,250	907,799
TOTAL	1,996,718	2,789,392	28,546	2,936,814	3,477,204	2,571,479	1,702,787

RESPONSIBLE ENTITIES' DECLARATION

In the opinion of the Committee (Responsible Entities) of Australian People for Health, Education and Development Abroad Incorporated:

- 1) The financial statements and notes of Australian People for Health, Education and Development Abroad Incorporated are in accordance with the requirements of the Associations Incorporations Act NSW 2009 and the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. Giving a true and fair view of Australian People for Health, Education and Development Abroad Incorporated financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - b. Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- 2) There are reasonable grounds to believe that Australian People for Health, Education and Development Abroad Incorporated will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Committee and is signed on behalf of the Directors by:



.....
Angelo Gavrielatos, Chairperson
Director



.....
Mark Lennon, Hon. Treasurer
Director

Sydney, 19 November 2020

STATEMENT BY PRINCIPAL OFFICER

Declaration by the principal officer in respect of fundraising appeals under the Charitable Fundraising Act 1991.

In my opinion as the Principal Officer:

- (a) The operating accounts give a true and fair view of all income and expenditure of the Australian People for Health, Education and Development Abroad Incorporated with respect to fundraising appeals for the year ended 30 June 2020; and
- (b) The balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2020; and
- (c) The internal controls exercised by Australian People for Health, Education and Development Abroad Incorporated are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals for the year ended 30 June 2020.

On behalf of Australian People for Health, Education and Development Abroad Incorporated.



Katrina Lee
Principal Officer

Sydney, 19 November 2020

Independent Auditor's Report

To the Members of Australian People for Health, Education and Development Abroad Incorporated

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian People for Health, Education and Development Abroad Incorporated (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in funds 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 Responsible Entities' declaration.

In our opinion, the financial report of Australian People for Health, Education and Development Abroad Incorporated has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

1. the financial report of the Registered Entity is in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:
 - a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - b) complying with Australian Accounting Standards – Reduced Disclosure Requirements - and the Australian Charities and Not-for-profits Commission Regulation 2013;
2. the 2020 financial report of the Registered Entity shows a true and fair view of the financial result of fundraising appeals for the 2020 year;
3. the 2020 financial report and associated records of the Registered Entity have been properly kept during the 2020 year, in all material respects, in accordance with the Charitable Fundraising Act (NSW) 1991 and its regulations;
4. money received by the Registered Entity as a result of fundraising appeals conducted during the 2020 year has, in all material respects, been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 1991 and its regulations;
5. there are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable;
6. the 2020 financial report of the Registered Entity is in accordance with the ACFID Code of Conduct; and
7. the 2020 financial report of the Registered Entity has been prepared in accordance with the requirements of the Associations Incorporation Act 2009.

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 Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACFID Code of Conduct, the ACNC Act, the Charitable Fundraising Act (NSW) 1991 and the Associations Incorporation Act 2009, and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Responsibilities of management and those charged with governance for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and describe additional reporting regime if applicable. This responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter

Partner – Audit & Assurance
Sydney, 19 November 2020