EMPOWERING WOMEN TO LEAD

IWDA INTERNATIONAL WOMEN'S DEVELOPMENT AGENCY

ABN: 19 242 959 685

Financial Statements

For the year ended 30 June 2018

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DIRECTORS' REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2018

The directors present this report on the International Women's Development Agency (IWDA) for the financial year ended 30 June 2018.

Non Executive Directors
The names of each person who has been a director during the year and to the date of this report are:

Sandhya Chakravarty	22-Aug-16
Gemma Hardie	Resigned on 16-May-18
Carolyn Ireland	17-Aug-16
Linda Elizabeth Kelly	21-Jul-16
Bronwyn Hazel Lee	21-Jul-16
Kirsten Grace Mander	25-Nov-14
Susan Gail Harris Rimmer	17-Nov-15
Philippa Taylor	22-Aug-15

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities
The principal activity for IWDA is to create transformative change for women and girls in the regions in which we work. We work in partnership with local women's organisations and develop evidence to influence decision makers in our pursuit of gender equality. Our strategic goals are focussed on: women's leadership and participation, safety and security, economic empowerment, systemic change and organisational sustainability.

Short-term and Long-term Objectives
During the financial year the organisations short-term objectives were:

- Continue to strengthen our programs by partnering with others in the Asia Pacific region to advance women's human rights
- Continue to be a catalyst for change and position IWDA as a leader on gender and development issues in line with our strategic goals
- Continue to build an enduring organisation to ensure IWDA's growth and financial sustainability

The organisations long-term objectives:

IWDA's vision is gender equality for all. Our purpose is to advance and protect the rights of women and girls in all their diversities.

Strategies
To achieve its stated objectives, IWDA adopted the following strategies:

Continue to work in partnership with women's organisations and advocates in our region to amplify women's power and priorities

Women's safety and security programs continue to be strengthened

Communities are supported in ownership of, and access to, resources

Advocate for structural reforms that advance women's rights and gender equality

IWDA continues to develop as a sustainable and accountable organisation

Key Performance Measures
The organisation measures its own performance through the use of both quantitative and qualitative indicators. The indicators are used by the directors to assess the financial sustainability of the organisation and to monitor achievement of our short-term and long-term objective.

	2018		2017	
Operational and Financial	**Actual**	**Benchmark**	**Actual**	**Benchmark**
Tied income (Government and other grants) to total income	82.6%	70.0%	80.7%	70.0%
Untied (fundraising) income to total income	17.4%	30.0%	19.3%	30.0%
Fundraising cost ratio	36.4%	30.0%	35.2%	30.0%
Fundraising expense ratio	5.3%	10.0%	6.3%	10.0%
Accountability and Administration to total expenditure	4.9%	10.0%	4.8%	10.0%

Information on Non- Executive Directors

Sandhya Chakravarty

Qualifications	Graduate Australian Institute of Company Directors, Certified Practicing Accountant, Master of Business Administration, Master of Economics, Bachelor of Economics
Experience	Sandhya has a diverse executive career spanning more than 25 years across international organisations such as State Trustees Limited, Australian Red Cross, Boston Consulting Group, Bristol-Myers Squibb, and Ingersoll-Rand. Sandhya's expertise includes strategy, shared services, business operations, financial compliance, policy, risk management, technology and process transformations, change management and governance. Previous experience with non-profit boards and finance committees includes the National Association of Women in Operations and the Australian Red Cross Blood Service. Sandhya is currently the Chair of the Audit, and Risk Committee at Southern Metropolitan Cemeteries Trust, member of the Investment Committee and a Trust member. She is also a board member and treasurer of Link Community Transport.
Special Responsibilities	Finance, Risk and Audit Committee member, Investment Committee member

Gemma Hardie

Qualifications	Bachelor of Arts
Experience	Gemma is a marketing and fundraising professional, with over 15 years' experience in the not-for-profit sector in a range of charities including Wesley Mission Victoria, World Vision, Heart Foundation and Guide Dogs Victoria. A committed advocate for the not-for-profit sector, she is passionate about community engagement and mobilisation and has a strong background in volunteer management, advocacy and public education activities.
Special Responsibilities	Finance, Risk and Audit Committee member, Investment Committee member

Carolyn Ireland

Qualifications	Bachelor of Accounting, Executive Masters of Business Administration, Member of Institute of Chartered Practicing Accountants of Australia, Graduate Australian Institute of Company Directors
Experience	Carolyn has over 20 years' experience working in a variety of senior finance and treasury roles and has held senior roles with Australian Pharmaceutical Industries Ltd, Epworth Healthcare, Australian Unity, GBS Venture Partners, Macquarie Bank and KPMG. Carolyn is a Chartered Accountant, MBA and GAICD.
Special Responsibilities	Finance, Risk and Audit Committee Chair (Nov 2016), Investment Committee Chair (June 2017)

Linda Elizabeth Kelly

Qualifications	Bachelor of Social Work, PhD
Experience	Linda is an international development professional, trainer and facilitator, and has held senior management positions with Australian based international NGOs including World Vision and Oxfam. Her specialisations include monitoring and evaluation, community development, gender, inclusive practice, international non-government organisational development and capacity building.
Special Responsibilities	None

Bronwyn Hazel Lee

Qualifications	Bachelor of Commerce, Master of Applied Anthropology and Participatory Development
Experience	Bronwyn is currently Deputy Chief Executive Officer at the Foundation for Young Australians, where she leads public affairs, government engagement, research and advocacy, partnerships and fundraising. She has a deep practical and theoretical knowledge of the community sector with over fifteen years experience working with non-profits, including World Vision Australia and as Chair of the Australian Youth Climate Coalition.
Special Responsibilities	None

Kirsten Grace Mander	**Board Chair**
Qualifications	Master of Laws, Fellow of the Australian Institute of Company Directors, Fellow of the Governance Institute of Australia, Fellow of the Risk
Experience	Kirsten has over 30 years' experience in the private, government and not for profit sectors, including as general counsel for some of Australia's top companies: Australian Unity, Sigma Pharmaceuticals and Smorgon Steel Group. She has worked extensively overseas in Asia, the Pacific and former Soviet Union. Kirsten is chair of Legal Super, a director of rt Health, Swinburne University and Peninsula Health and a former director of the Victorian Reproductive Treatment Authority, Law Institute of Victoria and Women's Circus.
Special Responsibilities	ex-officio to all committees

Directors Report continued.......

Susan Gail Harris Rimmer

Qualifications	Bachelor of Arts (Honours), Bachelor of Laws (Honours), Doctor of Juridical Science
Experience	Susan is an Associate Professor at the Griffith University Law School and an Australian Research Council Future Fellow. She is also a non-resident Associate Fellow, Global Economy and Finance at Chatham House, UK. She has more than 20 years' experience as a lawyer, researcher, campaigner and policy analyst. She has previously worked for the ANU, the Australian Council for International Development (ACFID), the UN High Commissioner for Refugees, and the Parliamentary Library. Previous board positions include UN Women National Committee Australia, Australian Lawyers for Human Rights, and the Refugee Council of Australia. In 2018 Apolitical named her one of the 100 Most Influential People in Gender Policy.
Special Responsibilities	Remuneration and Nomination Committee member

Philippa Taylor

Qualifications	Masters of Business Administration, Graduate Diploma Adult Education, Bachelor of Business, Graduate of the Australian Institute of Company Directors, Certified Professional Australian Human Resources Institute
Experience	Philippa is an experienced and successful nonexecutive director and advisor to boards and leaders within the corporate, government and non-for-profit space. She is an expert in people governance matters and an experienced business leader in enterprise wide change initiatives across culture, leadership, governance and engagement. She is currently a director of Western Leisure Services Limited and a mentor to a number of boards and female directors through Leadership Victoria.
Special Responsibilities	Remuneration and Nomination Committee chair

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

Director	Number eligible to attend	Number attended
Sandhya Chakravarty	6	5
Gemma Hardie	5	5
Carolyn Ireland	6	5
Linda Elizabeth Kelly	6	5
Bronwyn Hazel Lee	6	6
Kirsten Grace Mander	6	5
Susan Gail Harris Rimmer	6	5
Philippa Taylor	6	6

IWDA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is $70.

ACFID Code of Conduct
These financial reports have been prepared in accordance with relevant legislation, accounting standards and requirements set out in the ACFID Code of Conduct. They provide a true and fair view of the financial position and performance and the organisation is able to pay its debts as and when they fall due.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 5 of the financial statements.

The directors' report is signed in accordance with a resolution of the Board of Directors.

Director:

Ms Kirsten Grace Mander

Carolyn Ireland

Ms Carolyn Ireland

Dated this twenty seventh day of November 2018

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF INTERNATIONAL WOMEN'S DEVELOPMENT AGENCY AND CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 27 November 2018

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Revenue					
Donations and Gifts					
- Monetary		2,489,120	2,414,587	2,019,961	1,877,764
- Non-monetary		-	-	-	-
Legacies and bequests		14,586	27,231	14,586	27,231
Grants					
Department of Foreign Affairs and Trade		2,853,238	2,559,779	2,853,238	2,559,779
Other Australian		1,853,705	1,879,857	1,853,705	1,879,857
Other overseas		4,616,835	4,148,059	4,616,835	4,148,059
Investment income		424,184	768,865	160,860	139,315
Commercial Activities Income		-	-	-	-
Other income		46,965	131,303	24,402	11,513
Total Revenue	3	12,298,633	11,929,681	11,543,587	10,643,518
Expenditure					
International Aid and Development Programs Expenditure					
International programs					
Funds to International programs		5,510,322	5,139,198	5,510,322	5,139,198
Program support costs		4,574,271	3,900,433	4,574,271	3,900,433
Community Education		509,563	574,078	509,563	574,078
Fundraising costs					
Public		583,137	542,162	583,137	542,162
Government, multilateral & private		36,226	141,592	36,226	141,592
Accountability and Administration		607,196	538,856	583,662	519,037
Non-Monetary Expenditure		-	-	-	-
Total International Aid and Development Programs Expen		11,820,715	10,836,319	11,797,181	10,816,500
Domestic Programs Expenditure		-	-	-	-
Commercial Activities Expenditure		-	-	-	-
Total Expenditure	3	11,820,715	10,836,319	11,797,181	10,816,500
Excess/(Shortfall) of Revenue over Expenditure		477,918	1,093,362	(253,594)	(172,982)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss when specific conditions are met:					
Fair value (losses)/gains on available for sale financial assets		322,467	545,047	-	-
Reclassification of fair value gains on available-for-sale financial assets to profit or loss		-	(119,790)		
		-	-	-	-
Other comprehensive income for the year		322,467	425,257	-	-
Total comprehensive income / (loss) for the year		800,385	1,518,618	(253,594)	(172,982)

During the financial year, the entity had no transactions in relation to international political or religious adherence promotion programs.

The consolidated statement of comprehensive income is to be read in conjunction with the attached notes to the financial statements.

Consolidated Statement of Financial Position
as at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Assets					
Current Assets					
Cash and cash equivalents	4	7,609,820	7,930,622	6,348,583	6,724,736
Trade and other receivables	5	321,548	1,092,954	122,536	768,129
Inventories	6	1,470	3,205	1,470	3,205
Other current financial assets	7	1,571,060	514,443	1,571,060	514,443
Total Current Assets		9,503,898	9,541,224	8,043,649	8,010,513
Non-current Assets					
Property, plant and equipment	8	171,817	240,227	171,817	240,227
Intangible assets	9	63,656	107,189	63,656	107,189
Financial assets	10	10,367,370	9,244,901	-	-
Other non-current financial assets	11	64,278	64,278	64,278	64,278
Total Non-current Assets		10,667,121	9,656,595	299,751	411,694
Total Assets		20,171,019	19,197,819	8,343,400	8,422,207
Liabilities					
Current Liabilities					
Trade and other payables	12	393,808	353,363	386,908	346,803
Current tax liabilities	13	198,132	189,892	202,419	191,868
Provisions	14	242,597	243,871	242,597	243,871
Other financial liabilities	15	7,097,061	6,991,456	7,097,061	6,991,456
Total Current Liabilities		7,931,598	7,778,582	7,928,985	7,773,998
Non-current Liabilities					
Provisions	14	34,108	14,308	34,108	14,308
Total Non-current Liabilities		34,108	14,308	34,108	14,308
Total Liabilities		7,965,706	7,792,890	7,963,093	7,788,306
Net Assets		12,205,313	11,404,929	380,307	633,901
Equity					
Reserves	16	825,384	493,567	358,014	348,665
Retained surplus		11,379,929	10,911,362	22,293	285,236
Total Equity		12,205,313	11,404,929	380,307	633,901

At the end of the financial year, IWDA had no balances in the Assets held for Sale, Other Financial Assets, Investment property or Borrowings categories.
The consolidated statement of financial position is to be read in conjunction with the attached notes to the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2018

Consolidated

	Special Purpose Reserve	Investment Reserve	Maternity Leave Reserve	General Reserve	Retained Surplus	Total
	$	$		$	$	$
As at 30 June 2016	506,716	(280,355)	28,743	31,845	9,599,361	9,886,310
Net surplus for the year	-	-	-	-	1,093,362	1,093,362
Total other comprehensive income	-	425,257	-	-	-	425,257
Transfer to (from) reserves	(218,639)	-	-	-	218,639	-
As at 30 June 2017	288,077	144,902	28,743	31,845	10,911,362	11,404,929
Net surplus for the year	-	-	-	-	477,918	477,918
Total other comprehensive income	-	322,467	-	-	-	322,467
Transfer to (from) reserves	9,348	-	-	-	(9,348)	-
As at 30 June 2018	297,425	467,369	28,743	31,845	11,379,931	12,205,313

IWDA

	Special Purpose Reserve	Investment Reserve	Maternity Leave Reserve	General Reserve	Retained Surplus	Total
	$	$		$	$	$
As at 30 June 2016	506,716	-	28,743	31,845	239,579	806,883
Net surplus for the year	-	-	-	-	(172,982)	(172,982)
Transfer to (from) reserves	(218,639)	-	-	-	218,639	-
As at 30 June 2017	288,077	-	28,743	31,845	285,236	633,901
Net surplus for the year	-	-	-	-	(253,594)	(253,594)
Transfer to (from) reserves	9,348	-	-	-	(9,348)	-
As at 30 June 2018	297,425	-	28,743	31,845	22,293	380,307

Details of the purpose of each reserve are included in Note 16.

The consolidated statement of changes in equity is to be read in conjunction with the attached notes to the financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Cash flows from Operating Activities					
Receipts from donations, grants and other income		12,728,895	13,479,773	12,133,926	13,039,831
Payments to employees, suppliers and overseas aid projects		(11,611,056)	(10,996,239)	(11,585,549)	(10,976,190)
Interest/ Dividends received		446,747	768,865	160,860	139,315
Net cash flows from operating activities		1,564,586	3,252,399	709,237	2,202,956
Cash flows from Investing Activities					
Net payments for property, plant and equipment		(28,773)	(48,532)	(28,773)	(48,532)
Proceeds from sale of property, plant and equipment		-	8,934	-	8,934
Purchase for available-for-sale financial assets		(800,000)	(9,100,000)	-	-
Proceeds from sale of available-for-sale financial assets		-	6,729,790	-	-
Deposits made		(1,056,617)	(16,988)	(1,056,617)	(16,988)
Net cash flows used in investing activities		(1,885,390)	(2,426,796)	(1,085,390)	(56,586)
Cash flows from Financing Activities					
Repayment of borrowings		-	-	-	-
Net cash flows used in financing activities		-	-	-	-
Net (decrease) / increase in cash held		(320,802)	825,605	(376,153)	2,146,370
Cash and cash equivalents at beginning of the financial year		7,930,622	7,105,017	6,724,736	4,578,366
Cash and cash equivalents at end of year	4, 19	7,609,820	7,930,622	6,348,583	6,724,736

The consolidated statement of cash flows is to be read in conjunction with the attached notes to the financial statements.

Notes to the Financial Statements

Note 1: General information

The financial statements and accompanying notes of International Women's Development Agency and consolidated group for year ended 30 June 2018 were authorised for issue on 9 October 2018. International Women's Development Agency is an Australian public company limited by guarantee under the Corporations Act 2001.

Note 2: Summary of Accounting Policies

Basis of Preparation

International Women's Development Agency applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The organisation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared inaccordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website at www.acfid.asn.au.

The report is presented in Australian Dollars which is the Groups functional currency and amounts are rounded to the nearest dollar.

a) Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured.

Donations and Bequests are recognised as revenue when the funds are received.

Grant Revenue is recognised when the organisation obtains control of the grant, it is probable that the economic benefits gained from the grant will flow and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are met. If there is an obligation to deliver economic value directly back to the contributor of the grant, the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Investment income is recognised when the right to receive consideration for the provision of, or investment in, assets has been attained. Dividend income is recognised when the right to receive a dividend has been established.

Revenue generated from the sale of goods and services is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and services and the cessation of all involvement in those goods.

Other income is recognised when the right to receive the income is established.

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

b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

c) Available-for-sale investments

Initial recognition and measurement

Available-for-sale investments are recognised when the entity becomes a party to the contractual provisions to the instrument. This is equivalent to the date that the organisation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Available-for-sale investments are initially measured at fair value and the transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be settled within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

d) Trade and other receivables

Trade and other receivables include amounts from donors and any outstanding grant receipts.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current

e) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

Items of plant and equipment are depreciated over their useful lives to the organisation commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Class of Fixed Asset	Depreciation Rate
Office equipment (including computers)	33%
Furniture & fittings	20%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

f) Intangible assets

Each intangible asset is carried at cost or fair value as indicated less, where applicable, any accumulated amortisation and impairment losses.

Intangible asset

Intangible assets are measured on the cost basis less amortisation and impairment losses.

Amortisation

Items of intangible assets are amortised over their useful lives to the organisation commencing from the time the asset is held ready for use. Amortisation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Class of Asset	Amortisation Rate
Software	33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

g) Leased assets

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the organisation are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the organisation will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

h) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the organisation during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

i) Impairment of Assets

At the end of each reporting period, the organisation assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

j) Taxation

Income Tax

The organisation is an income tax exempt charitable entity under Subsection 50-B of the Income Tax Assessment Act 1997. The organisation is a deductible gift recipient.

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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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 ATO are presented in operating cash flows included in receipts from customers or payments to suppliers.

k) Employee Benefits

Short-term employee benefits

Provision is made for the organisation's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the present value amounts expected to be paid when the obligation is settled. The organisation's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of Provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The organisation's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the organisation does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

l) Fair Value of Assets and Liabilities

The organisation measures some of its assets at fair value on a recurring basis.

Fair value is the price the organisation would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

m) Foreign currency transactions

Foreign currency transactions are converted to Australian currency at the rates of exchange applicable at the date of the transactions.

Foreign currencies held at balance date are converted to Australian dollars at exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

n) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year when required by accounting standards.

o) Basis of consolidation

The consolidated financial statements comprise the financial statements of IWDA (the parent organisation) and its controlled entity, The Trustee For IWDA Foundation, as at 30 June each year (the Group).

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of subsidiaries are prepared for the same reporting periods as the parent organisation, using consistent accounting policies.

All interorganisation balances and unrealised profits from transactions between Group entities have been eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less any impairment losses in the separate financial statements of the parent entity.

p) Critical Accounting Estimates and Judgements

The board members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

q) New accounting standards for application in future periods

The AASB has issued new and associated amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods.

AASB9: Financial Instruments and associated amending standards (applicable to annual reporting periods commencing on or after 1 January 2018).
AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, revised impairment requirements and simplified requirements for hedge accounting.
The revised requirements include:
- simplifications to the classification of financial assets
- simplifications to the accounting of embedded derivatives
- an expected loss impairment model
- the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.
- a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

The financial assets and liabilities of the Group consist of cash, fair value of available-for-sale financial assets, receivables and payables. The directors do not expect a material impact on transition to AASB 9.

AASB15: Revenue from contracts with customers (applicable to annual reporting periods commencing on or after 1 January 2019).
This Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.
The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The directors have made a preliminary assessment of the impact, which will result in the following adjustments on transition:
- identification and categorisation of performance obligations on each contract, which would influence the timing of revenue recognition on each contract deliverable
- capitalisation of costs incurred in procuring a contract that is expensed under the existing accounting policies.
- it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2016-8:Amendments to Australian Accunting Standards - Australian Implementation Guidance for Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).
This standard adds appendix F to AASB 15 to provide additional guidance on the application of AASB 15 in the context of not-for-profit entities. It also adds Appendix C to AASB 9.
Although the directors anticipate that the above amendments may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1058: Income of Not-For-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

AASB 1058 applies to transactions where the consideration to purchase an asset is significantly less than its fair value in order to support the entity to further its objectives. It also applies to volunteer services.

The following are the key requirements in this standard:

1. Income arising from the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets, and revenue should be immediately recognised in profit or loss. For this purpose assets, liabilities and revenue are to be measured in accordance with the applicable standard;
2. A liability is recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with other standards. This liability has to be amortised to profit or loss as the entity satisfies its obligations under the transfer; and
3. An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contribution by owners or revenue) should be immediately recognised in profit or loss.

The directors anticipate that the adoption of AASB 1058 will have an impact on the Group's financial statements. The volunteer services valued as per the ACFID Code of Conduct (Refer Note 18) are incorporated into the Consolidated Statement of Comprehensive Income.

AASB16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117:Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The directors expect that the adoption of AASB 16 will result in lease assets and liabilities being recognised on balance sheet and a change in how related expenses are incurred. The financial impact of this has not yet been determined.

	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Note 3: Revenue, other income and expenses				
The following revenue and expense items are significant in explaining the financial performance:				
a. Significant revenues				
Investment income	446,747	888,655	160,860	139,315
The Trustee For IWDA Foundation distribution	-	-	430,841	363,177
Donations and bequests received	2,503,705	2,441,818	1,603,705	1,541,818
b. Expenses				
Depreciation and amortisation of non-current assets	140,716	114,946	140,716	114,946
Employee benefits	4,201,166	3,557,370	4,201,166	3,557,370
Rental expense	219,921	150,385	219,921	150,385
Funds transferred to international programs	5,510,322	5,139,198	5,510,322	5,139,198
Note 4: Cash and cash equivalents				
Cash on hand	920	875	920	875
Foreign currencies on hand	-	-	-	-
Cash at bank	4,108,900	4,385,576	2,847,663	3,179,690
Short term investments - bank deposits	3,500,000	3,544,171	3,500,000	3,544,171
	7,609,820	7,930,622	6,348,583	6,724,736
Note 5: Trade and Other Receivables				
CURRENT				
Trade debtors	209,488	657,654	10,476	657,651
Prepayments	82,974	78,191	82,974	78,191
Accrued grant and other income	29,086	357,109	29,086	32,287
	321,548	1,092,954	122,536	768,129
Note 6: Inventories				
CURRENT				
Goods purchased for resale	1,470	3,205	1,470	3,205
Note 7: Other Current Financial Assets				
CURRENT				
Term Deposits	1,571,060	514,443	1,571,060	514,443
Note 8: Property, Plant and Equipment				
Office equipment at cost	207,877	180,649	207,877	180,649
Less accumulated depreciation	(143,766)	(101,491)	(143,766)	(101,491)
	64,111	79,158	64,111	79,158
Furniture & fittings at cost	76,280	76,280	76,280	76,280
Less accumulated depreciation	(46,219)	(31,421)	(46,219)	(31,421)
	30,061	44,859	30,061	44,859
Leasehold improvements	189,701	189,701	189,701	189,701
Less leasehold amortisation	(112,056)	(73,491)	(112,056)	(73,491)
	77,645	116,210	77,645	116,210
Total Property, Plant and equipment	171,817	240,227	171,817	240,227

Movements in carrying amounts

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

	Consolidated/IWDA			
	Office Equipment $	Furniture & Fittings $	Leasehold Improvements $	Total $
Balance at 1 July 2017	79,158	44,859	116,210	240,227
Additions	29,549			29,549
Disposals	(776)	-	-	(776)
Depreciation expense	(43,820)	(14,798)	(38,565)	(97,183)
Carrying amount at 30 June 2018	64,111	30,061	77,645	171,817

	Note	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Note 9: Intangible Assets					
Computer Software at cost		130,600	130,600	130,600	130,600
Less accumulated amortisation		(66,944)	(23,411)	(66,944)	(23,411)
Total Intangible Assets		63,656	107,189	63,656	107,189

Movements in carrying amounts

Movement in the carrying amounts between the beginning and the end of the current financial year.

	Note	Software Development $	Total $
Balance at 1 July 2017		107,189	107,189
Additions		0	0
Disposals		-	-
Amortisation expense		(43,533)	(43,533)
Carrying amount at 30 June 2018	2(f)	63,656	63,656

	Note	Consolidated 2018 $	Consolidated 2017 $	IWDA 2018 $	IWDA 2017 $
Note 10: Financial Assets					
NON-CURRENT					
Available-for-sale financial assets comprise:					
Managed portfolio by MLC / Vanguard at fair value		10,367,370	9,244,901	-	-
	2(c)	10,367,370	9,244,901	-	-
Note 11: Other non-current financial assets					
Deposits held as guarantee		64,278	64,278	64,278	64,278
Note 12: Trade and Other payables					
CURRENT					
Trade Creditors		78,260	139,403	71,360	139,403
Business credit cards		20,427	23,471	20,427	23,471
Accrued expenses		295,121	190,489	295,121	183,929
	2(h)	393,808	353,363	386,908	346,803
Note 13: Current Tax Liabilities					
CURRENT					
GST payable		151,232	148,652	155,519	150,628
PAYG payable		46,900	41,240	46,900	41,240
	2(j)	198,132	189,892	202,419	191,868
Note 14: Provisions					
CURRENT					
Provision for employee benefits - Annual leave		218,407	179,741	218,407	179,741
Provision for employee benefits - Long service leave		24,190	64,130	24,190	64,130
	2(k)	242,597	243,871	242,597	243,871
NON CURRENT					
Provision for employee benefits - Long service leave		34,108	14,308	34,108	14,308
	2(k)	276,705	258,179	276,705	258,179

Analysis of Provisions:	Note	2018 $
Balance at 1 July 2017		258,179
Additional provisions raised during the year		345,042
Amounts used		(326,516)
Balance at 30 June 2018	2(k)	276,705

Note 15: Other Financial Liabilities	Consolidated 2018	Consolidated 2017	IWDA 2018	IWDA 2017
Grants Received in Advance	$	$	$	$
Department of Foreign Affairs and Trade	1,840,761	1,946,805	1,840,761	1,946,805
Netherlands Ministry of Foreign Affairs	3,328,974	3,146,267	3,328,974	3,146,267
Live and Learn International	-	23,556	-	23,556
Cardno Emerging Markets	335,780	109,973	335,780	109,973
Oxfam Australia	-	30,424	-	30,424
Australian National University - State, Society & Governance in Melanesia Program	1,432,815	1,561,449	1,432,815	1,561,449
Foundation for a Just Society	158,731	172,982	158,731	172,982
Total unexpended grant funds at 30 June 2018	7,097,061	6,991,456	7,097,061	6,991,456

Note 16: Reserves

Details of reserves included in statement of changes in equity

Special Purpose Reserve

This records donations which have been received as revenue and are restricted, giving rise to an obligation to a specific program or project in a future period.

General Reserve

The general reserve records funds which have been set aside for responding to critical issues and events.

Maternity Leave Reserve

This reserve records funds set aside for the employees' maternity leave in accordance with the organisation's policy.

Investment Reserves

This reserve records the changes in fair value of available-for-sale financial assets.

Note 17: Capital and Lease Commitments

a. Finance Lease Commitments

Lease of Office Equipment				
Payable				
not later than one year	-	-	-	-
later than one year but not later than two years	-	-	-	-
later than two year but not later than five years	-	-	-	-
Total lease commitment	-	-	-	-
Less finance charges not yet due	-	-	-	-
Total lease liability	-	-	-	-

Operating Lease Commitments

The property lease commitments are non-cancellable for the lease period completing in May 2020, with rent payable monthly in advance.

	Consolidated 2018	Consolidated 2017	IWDA 2018	IWDA 2017
Lease of Premises				
Payable	$	$	$	$
within 1 year	233,200	219,025	233,200	219,025
later than one year but not later than five years	448,279	440,873	448,279	440,873
Total operating lease commitment	681,479	659,898	681,479	659,898

Note 18: Gifts in kind, pro bono and volunteer services

	Consolidated 2018	Consolidated 2017	IWDA 2018	IWDA 2017
During the financial year, the organisation benefited by gifts in kind, pro bono and volunteer services, the value of which has not been included in the financial statements.	$	$	$	$
a. Gifts in kind	-	46,820	-	46,820
b. Pro bono and Volunteer services	224,982	166,581	224,982	166,581

Note 19: Financial Risk Management

The organisation's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note:	Consolidated 2018	Consolidated 2017	IWDA 2018	IWDA 2017
		$	$	$	$
Financial Assets					
Cash and cash equivalents	4	7,609,820	7,930,622	6,348,583	6,724,736
Trade and other receivables	5	321,548	1,092,954	122,536	768,129
Other current financial assets	7	1,571,060	514,443	1,571,060	514,443
Available-for-sale financial assets	10	10,367,370	9,244,901	-	-
Other non-current financial assets	11	64,278	64,278	64,278	64,278
Total financial assets		19,934,076	18,847,198	8,106,457	8,071,586
Financial liabilities					
Financial liabilities at amortised cost:					
– trade and other payables	12	393,808	353,363	386,908	346,803
– current tax liabilities	13	198,132	189,892	202,419	191,868
Total financial liabilities		591,940	543,255	589,327	538,672

Note 20: Fair Value Measurements

The organisation has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. The organisation does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

		Consolidated		IWDA	
	Note:	*2018*	*2017*	*2018*	*2017*
Recurring fair value measurements		$	$	$	$
Financial assets					
Available-for-sale financial assets	10	10,367,370	9,244,901	-	-
Total financial assets recognised at fair value		10,367,370	9,244,901	-	-

Note 21: Related party transactions

Distribution and management fees received from The Trustee For IWDA Foundation	-	-	447,248	376,441

Note 22: Key Management Personnel

The names and positions of those having authority for planning, directing and controlling the organisation's activities, (other than the non executive directors), are:

Joanna Hayter, Chief Executive Officer (resigned on 10/11/17)

Bettina Baldeschi, Chief Executive Officer

Alison Hill, Director of Strategic Engagement (resigned on 23/04/18)

Gemma Hardie, Director – Strategy and Engagement

Donna Davies, Director of Finance and Business Operations (resigned on 18/09/17)

Rochna Banerjee, Director of Finance and Business Operations

Caroline Lambert, Director of Research, Policy and Advocacy

Joanna Pradela, Director, Individual Deprivation Measure

Donna McSkimming, Director of Programs

The total remuneration paid to key management personnel including superannuation was $ 876,227 (2017: $ 748,960)

Note 23: Member's Guarantee

IWDA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is $70.

Note 24: Events after the balance date

There were no significant events after the balance date.

Note 25: Organisation Details

The registered office of the organisation is:
International Women's Development Agency
Level 1
250 Queen St
MELBOURNE VIC 3000

The principal place of business is:
International Women's Development Agency
Level 1 and 4
250 Queen St
MELBOURNE VIC 3000

Directors' Declaration

The directors of International Women's Development Agency declare that:

1) The financial statements and notes as set out on pages 6 to 18, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

   i) comply with relevent Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and

   ii) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the organisation.

2) In the directors' opinion, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* .

Director: ______________________________ Director: Carolyn I ______________________________

Ms Kirsten Grace Mander Ms Carolyn Ireland

Dated this 27th day of November 2018

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INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF INTERNATIONAL WOMEN'S DEVELOPMENT AGENCY AND CONTROLLED ENTITY

Opinion

We have audited the financial report of International Women's Development Agency ("the Organisation") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and

b) 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 Organisation in accordance with the auditor independence 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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 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 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.

We 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 Group's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We conclude on the appropriateness of the director's 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 Group'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 Group to cease to continue as a going concern.

We 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 directors 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.

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

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 28 November 2018