

**AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
ABN 25 274 698 213**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
ABN 25 274 698 213

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AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
INCOME			
Donations and Gifts		63,248	36,842
Commercial Activities Income		-	3,817
Grants Received		-	156,000
Interest Received		47	227
Membership Fees		210	330
Foreign Currency Exchanges		(834)	(104)
	3	62,671	197,112
EXPENDITURE			
International Programs		101,373	223,494
Accountability and Administration		6,015	4,568
		107,388	228,062
Loss for the year		(44,717)	(30,950)
Total income for the year		(44,717)	(30,950)

The accompanying notes form part of these financial statements.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
ABN 25 274 698 213

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	165,961	187,451
Other Current Assets	5	-	600
TOTAL CURRENT ASSETS		<u>165,961</u>	<u>188,051</u>
TOTAL ASSETS		<u>165,961</u>	<u>188,051</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	37,657	15,030
TOTAL CURRENT LIABILITIES		<u>37,657</u>	<u>15,030</u>
TOTAL LIABILITIES		<u>37,657</u>	<u>15,030</u>
NET ASSETS		<u>128,304</u>	<u>173,021</u>
MEMBERS' FUNDS			
Retained earnings	7	128,304	173,021
TOTAL MEMBERS' FUNDS		<u>128,304</u>	<u>173,021</u>

The accompanying notes form part of these financial statements.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained earnings \$	Total \$
Balance at 1 July 2019		203,970	203,970
Profit attributable to members		(30,949)	(30,949)
Balance at 30 June 2020		<u>173,021</u>	<u>173,021</u>
Profit attributable to members		(44,717)	(44,717)
Balance at 30 June 2021		<u><u>128,304</u></u>	<u><u>128,304</u></u>

The accompanying notes form part of these financial statements.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION as an individual entity. AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION is a not-for-profit association incorporated in VIC under the Associations Incorporation Reform Act 2012 ('the Act') and registered with the Australian Charities and Not-for-profits Commission.

The principal activities of the Association for the year ended 30 June 2021 are to implement projects that assist in the reconstruction and sustainable development of communities within Afghanistan.

The functional and presentation currency of AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. They have also been prepared in accordance with the presentation and disclosure requirements set out in the ACFID Code of Conduct. For further information about the Code please refer to the ACFID website www.acfid.asn.au.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

Impairment of Non-Financial Assets

At the end of each reporting period the association determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the association is entitled to it.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
3 Revenue and Other Income		
Revenue		
Revenue:		
Donations, grants and fundraising	63,248	196,659
Other revenue:		
Interest received	47	227
Foreign currency exchanges	(834)	(104)
Membership fees	210	330
	<u>(577)</u>	<u>453</u>
Total revenue	<u>62,671</u>	<u>197,112</u>
4 Cash and Cash Equivalents		
Cash on Hand	14,673	1,623
Cash at Bank- Community Solutions A/C	2,162	789
Cash at Bank - Cash Reserve A/C	119,509	137,164
Cash at Bank - Overseas Aid Public Fund A/C	4,929	8,867
Cash at Bank- Kabul Account	21,437	36,954
Paypal Account	3,251	2,054
	<u>165,961</u>	<u>187,451</u>
5 Other Assets		
Current		
Prepayments	<u>-</u>	<u>600</u>
6 Accounts Payable and Other Payables		
Current		
Sundry Creditors	-	4,361
Accrued Expenses	<u>37,657</u>	<u>10,669</u>
	<u>37,657</u>	<u>15,030</u>

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
7 Retained Earnings		
Retained earnings at the beginning of the financial year	173,021	203,971
Net loss attributable to the association	<u>(44,717)</u>	<u>(30,950)</u>
Retained earnings at the end of the financial year	<u>128,304</u>	<u>173,021</u>

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
ABN 25 274 698 213

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the organisation is not a reporting entity and that this special purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 9:

1. Present fairly the financial position of AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, the ACFID Code of Conduct and the Australian Charities and Not-for-profits Commission Act 2012.
2. At the date of this statement, there are reasonable grounds to believe that AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION will be able to pay its debts as and when they fall due.

This statement is made in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and is signed for and on behalf of the Committee by:

Treasurer: 
David Brennan

Dated this 24th day of November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION ABN 25 274 698 213

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION (the association) which comprises the statement of financial position as at 30 June 2021 and the statement of comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and management's assertion statement.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report of the association for the year ended 30 June 2021 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct including:

- a) giving a true and fair view of the association's financial position as at 30 June 2021 and of its performance for the year then ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Associations Incorporation Reform Act 2012, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct.

Basis for Qualified Opinion

All charity expenses are paid for by cash in Afghanistan and while receipts are not provided for these expenses, worksheets listing the expenses are prepared and signed by two authorised persons and given to the committee for review and ratification. Accordingly, as the evidence available to us from this source was limited, our audit procedures with respect to cash payments made in Afghanistan were based on the worksheets and the amounts recorded in the financial records.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the auditor independence requirements of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
ABN 25 274 698 213**

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION
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- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the company 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 the director 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 director 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.

From the matters communicated with the director, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: PMK Partners
Certified Practising Accountants



Name of Director: _____
Jeffrey E McKee CPA

Address: Castle Hill NSW

Dated this 24th day of November 2021