



INTERNATIONAL NEPAL FELLOWSHIP AUSTRALIA

Financial Statements

For the Year Ended 30 June 2022

International Nepal Fellowship (Australia) Limited
ABN 75 090 528 500
www.inf.org.au

International Nepal Fellowship (Australia) Limited

ABN: 75 090 528 500

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For the Year Ended 30 June 2022

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International Nepal Fellowship (Australia) Limited

ABN: 75 090 528 500

Directors' Report

30 June 2022

The directors present their report on International Nepal Fellowship (Australia) Limited for the financial year ended 30 June 2022.

1. PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activity of INF Australia during the last year was to support the work of INF Nepal and other Christian partner organisations to serve poor and marginalised people and communities in Nepal. This was done through raising awareness of the situation in Nepal and encouraging prayer for Nepali people; advocating to the Australian Government in support of Australia's bilateral aid program and COVID-19 response in Nepal; raising funds to support health and community empowerment projects in Nepal; and enabling Australian volunteers to serve in Nepal.

There were no significant changes in the nature of International Nepal Fellowship (Australia) Limited's principal activities during the financial year.

2. FINANCIAL RESULTS AND REVIEW OF OPERATIONS

Our accounts for the 2022 financial year show a loss of (\$255,383) (2021: surplus \$86,666). Expenditure directly related to our work in Nepal totalled \$1,211,097 (2021: \$910,718).

International Nepal Fellowship Australia achieved *Full Accreditation* with the Department of Foreign Affairs and Trade (DFAT), leading to increased funding through the Australian NGO Cooperation Program (ANCP). This allowed INF Australia to provide additional support to community development projects implemented by INF Nepal and also to initiate partnerships with two additional Christian NGOs in Nepal, Shanti Nepal and Welfare Association for Children Tikapur (WACT).

Reduction in the number of expatriate volunteers serving in Nepal, and associated reduction in income directed towards their sending and their support, has been a major driver of income reductions over recent years but has likely levelled off. An end to COVID-19 related travel restrictions and a return to targeted recruitment has opened up opportunities for fundraising and engagement; however this has yet to be realised. The organisation also had a reduction on fundraising for the year partly attributed to many fundraising projects needing to be cancelled or postponed during the COVID-19 lockdown.

INF Australia continues to invest in staffing within the Australian office, to enhance the organisation's capacity for project management and oversight, as well as community engagement and awareness-raising. A new strategic plan, with associated fundraising and community engagement, has been approved by the Board and is in the process of being implemented by the INF Australia office team led by Ben Thurley.

During the year the office moved from St Paul's Anglican Church at Chatswood to Nicholson Street St Leonards. We feel this move was necessary to help build the team required to service the organisation and give INF Australia a stronger identity and presence. We are grateful for the support and kindness shown to us by the leaders at St Paul's for many years and continue to use their facilities from time to time.

Project funding and institutional capacity strengthening

INF Australia's vision (shared with the other organisations in the global INF family) is for "life in all its fullness for Nepal's poor and marginalised people and communities". We consolidated support as a single external donor for INF Nepal in its Jumla District WEAL Program (Women's Empowerment and Livelihoods) and maintained support for Rolpa District EDUCATE Program (Economic Development of Underprivileged Communities through Agricultural and Technological Empowerment). Both programs operate in rural municipalities characterized by extreme poverty and disadvantage and aim to empower women and support improvements for the whole community in health, livelihoods, education and people's resilience in the face of disasters and climate change.

INF Australia partnered with WACT to implement the Improving Child and Adolescent Wellbeing through Community Partnership (ICAWCP) and Community Organisation Networking and Collaboration for Transformation (CONECT) projects in Kailali District and with Shanti Nepal to implement the Community Transformation Project (CTP) in West Rukum. We continue to support a number of small, but highly effective, Christian community development partner organisations based around Nepalgunj, Banke District and Elijah Counselling and Training Centre (ECTC) based in Kathmandu.

We continued to provide core operational funding to the leprosy program operating through INF Nepal's Shining Hospital Banke (SHiB). This funding is intended to provide direct patient and community benefit in the face of rising transmission of

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leprosy, and support the consolidation and renewal of INF Nepal's leprosy program and development of a new neglected tropical disease strategy.

INF Australia consistently seeks to strengthen the capacity of our partner organisations and supports a number of key technical support and advisory roles within INF Nepal, including a gender officer and support for climate change adaptation and disaster resilience and response. The gender officer engages across INF Nepal's projects through the POWER Project (Promotion of Women's Empowerment and Rights Targeting Rural Women), providing additional activities and targets aimed at raising awareness and empowering women in rural communities. Due primarily to its geography and economic situation, Nepal is regarded as a country highly vulnerable to impacts of climate change. INF Australia's support for a climate change and disaster role, supports activities across INF Nepal's programs to assess and respond to climate change and disaster risks in project design and to support resilience and adaptation among vulnerable communities.

INF Australia receives support from the Australian Government through the Australian NGO Cooperation Program for the work we undertake in Jumla, Rolpa, Kailali and West Rukum, and the POWER Project.

Volunteer services

As well as sending funds to support partner organisations, INF Australia enables Australian volunteers to serve in Nepal, using their professional skills, gifts and experience to support the work of partner organisations. Through the year, INF Australia has supported Ming Poon as an advisor in leprosy management and treatment.

3. OBJECTIVES AND STRATEGIES

The Company's *long term* objectives are to:

- Enable Nepal's poor and disadvantaged people and communities to experience 'life in all its fullness'; and
- Eliminate extreme poverty and social injustice among Nepali people.

The Company's *short term* objectives are to:

- Support the work of INF Nepal and other partners to improve the lives of Nepal's poor and disadvantaged people and communities;
- Support the disaster response activities of INF Nepal and other partners;
- Raise up volunteers to serve with partner organisations in Nepal;
- Provide training and technical support to help partner organisations to be more effective; and
- Engage with the Australian public to build awareness of the issues in Nepal and include them in our work.

To achieve these objectives, the company has adopted the following strategies:

1. *Being an effective partner, by:*

- a) reliably supporting INF Nepal and other partner organisations that share our vision and values;
- b) demonstrating impact of our work; and,
- c) working increasingly to influence Australian policy and public attitudes.

2. *Nurturing deeper fellowship through:*

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30 June 2022

- a) building authentic relationships that connect churches and communities in Australia and Nepal;
- b) establishing relationships of trust and mutual support with the Nepalese community in Australia; and,
- c) challenging and equipping Australian Christians to make personally significant and holistic responses to poverty

3. *Strengthening organisational learning through:*

- a) intentionally developing the processes, habits and relationships to learn, reflect and respond rapidly in a
- b) facilitating sharing and utilisation of expertise, insight, energy and engagement across an empowered volunteer network.

4. LIKELY DEVELOPMENTS

INF Australia will continue to receive funding of \$600,000 – \$700,000 annually through ANCP. The exact amount will vary as determined in a ratio with our own public fundraising and development expenditure in Nepal. Ensuring our fundraising and recruitment efforts in support of community programs in Nepal will therefore be a high priority, both to ensure predictability and reliability of government funding, and also to ensure that INF Australia does not become overly reliant on this income.

To this end, INF Australia will continue to invest in the capacity of the Australian team to support and manage international projects, to ensure accountability and oversight for all our programs, and to engage effectively with the Australian community to raise awareness and funds for the work of our partners in Nepal.

A new strategic plan and fundraising strategy will guide our work over the coming three years.

Material impacts and risks of COVID-19 on INF Australia's operations

COVID-19 continued to impact INF Australia's fundraising and ability to engage with the Australian community during the 2022 financial year. Mitigation strategies or alternate approaches have been adopted to address all anticipated and realised risks. Impacts and risks are outlined below.

1. Budgeting for 2022 anticipated reductions in donation income owing to reduced numbers of Australian volunteers serving, or seeking to serve in Nepal along with reduced fundraising capacity owing to limits to face-to-face engagement with Australian churches and community groups.
2. INF Australia has anticipated a longer-term shift in income streams and an overall reduction of income (as well as related expenses) through reduced numbers of volunteers serving in Nepal. This relates to a pre-existing trend which INF Australia has already incorporated into strategic planning and budgeting. COVID-19 has contributed to a slow-down in recruitment and sending of skilled volunteers to Nepal, however no further impact is anticipated due to COVID-19.
3. INF Australia has no debts and COVID-19 poses no risk to our ability to pay suppliers.
4. COVID-19 has contributed to delays or negative impacts on outcomes in INF Australia supported projects for community transformation and human development. In addition to the direct health impacts, it has disrupted schooling, reduced economic activity in Nepal, created strain on health services, increased food insecurity, and is contributing to an increase in poverty, particularly among poor and marginalised communities. INF Australia partners have adopted working approaches that prioritise community health and safety and contribute to the building of health and response capacity in partnership with local authorities.

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5. DIRECTOR'S BENEFITS

Since the beginning of the financial year no Director of the company has received, or has become entitled to receive, a benefit (other than salary as an employee) because of a contract that a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial interest has made with the company, or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when a Director received or became entitled to receive, the benefit.

6. DIRECTORS' INDEMNITY INSURANCE

The Company paid a premium to insure all Directors' for liability, including costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against them in their capacity as Directors of the Company.

7. DIRECTORS

The Directors in office at the date of this report and during the financial year together with their meeting attendances, shown in parentheses, are:

| Names | Position/Career | Years of service / (Attendances) |
|-------------------|--|----------------------------------|
| Ravi Underwood | Director (Chair) / Accountant | 4 / (4) |
| Richard Groves | Director / Risk Management Consultant | 10 / (4) |
| Rudra Paudel | Director / Business Owner | 7 / (4) |
| Kerrie Worboys | Director / Retired Pharmacist and INF worker | 7 / (2), retired 27 Nov 21 |
| William Hood | Director (Deputy Chair) / IT professional | 5 / (4) |
| Catherine Clark | Director / Medical doctor | 5 / (3) |
| Nicole McGunnigle | Director / Environmental Geologist | 5 / (4) |
| Richard Reeve | Director (Treasurer) / Church Leader, accountant | 4 / (4) |

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

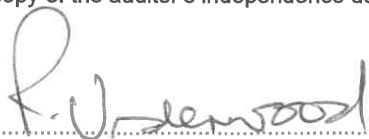
There were a total of four (4) Directors meetings held during the financial year.

8. COMPANY LIMITED BY GUARANTEE

The company 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. As at 30 June 2022, there were 97 members and therefore the total amount that Members of the company are liable to contribute if the company is wound up is \$970.

9. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on the following page.



Ravi Underwood

St Leonards

Chair of the Board

24 / 10 / 2022

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of International Nepal Fellowship (Australia) Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'A F Gilbert'.

A F Gilbert, CA
Director

24 October 2022



Liability Limited by a scheme approved
under Professional Standard Legislation

SYDNEY CBD

Level 8, 33-35 York St
Sydney NSW 2000
PO Box 3070, Bangor NSW 2234
T (02) 9138 1020 | 1300 365 125
F (02) 8525 4650 ABN. 50 350 478 852
E info@wscgroup.com.au

SYDNEY (Head Office)

Unit 11, 800 - 812 Old Hawarra Road
Menai NSW 2234
PO Box 3070, Bangor NSW 2234
T (02) 8525 4600 | 1300 365 125
F (02) 8525 4650 ABN. 50 350 478 852
E info@wscgroup.com.au

ALSO BRANCHES AT:

- BRISBANE
- CANBERRA
- GOLD COAST
- MELBOURNE
- NEWCASTLE
- PERTH



International Nepal Fellowship (Australia) Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|------------------|------------------|
| Revenue and other income | | | |
| <i>Donations and Gifts</i> | | | |
| Monetary | | 717,601 | 897,616 |
| Non-Monetary | | 131,014 | 326,510 |
| <i>Bequests and Legacies</i> | | 62,268 | 237,107 |
| <i>Grants</i> | | | |
| Department of Foreign Affairs and Trade | | 693,246 | 150,000 |
| <i>Interest income</i> | | 1,948 | 4,237 |
| <i>Other income</i> | 3 | 94 | 105,475 |
| Total revenue and other income | | 1,606,171 | 1,720,945 |
| Expenditure | | | |
| <i>International Programs</i> | | | |
| Funds to development programs | | 1,030,508 | 477,596 |
| Funds to welfare and service programs | | 180,589 | 433,122 |
| Program support costs | | 123,478 | 98,997 |
| Non-monetary expenditure - development programs | | - | 140,954 |
| Non-monetary expenditure - welfare & service programs | | 107,434 | 164,200 |
| <i>Community Education</i> | | 95,774 | 76,123 |
| <i>Fundraising costs</i> | | | |
| Public | | 100,209 | 56,512 |
| Government | | 9,160 | 9,850 |
| <i>Accountability and Administration</i> | | 190,822 | 155,569 |
| <i>Non-Monetary Expenditure</i> | | 23,580 | 21,356 |
| Total expenditure | | 1,861,554 | 1,634,279 |
| (Loss)/Surplus for the year | | (255,383) | 86,666 |
| Total comprehensive (loss)/income for the year | | (255,383) | 86,666 |

The accompanying notes form part of these financial statements.

International Nepal Fellowship (Australia) Limited

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Statement of Financial Position

As At 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,260,702 | 1,496,424 |
| Trade and other receivables | 5 | 13,123 | 4,291 |
| Prepayments and other assets | 6 | 42,917 | 81,413 |
| Inventories | | 1,167 | 1,197 |
| TOTAL CURRENT ASSETS | | 1,317,909 | 1,583,325 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 115,046 | 156,898 |
| TOTAL NON-CURRENT ASSETS | | 115,046 | 156,898 |
| TOTAL ASSETS | | 1,432,955 | 1,740,223 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 27,964 | 49,021 |
| Borrowings | | 1,267 | 560 |
| Lease liabilities | 9 | 23,787 | 24,103 |
| Employee benefits | 10 | 21,143 | 31,403 |
| TOTAL CURRENT LIABILITIES | | 74,161 | 105,087 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 9 | 78,271 | 99,906 |
| Employee benefits | 10 | 1,115 | 440 |
| TOTAL NON-CURRENT LIABILITIES | | 79,386 | 100,346 |
| TOTAL LIABILITIES | | 153,547 | 205,433 |
| NET ASSETS | | 1,279,408 | 1,534,790 |
| EQUITY | | | |
| Reserves | | 957,578 | 1,064,840 |
| Retained earnings | | 321,830 | 469,951 |
| TOTAL EQUITY | | 1,279,408 | 1,534,791 |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

| | General fund | Designated funds | Total |
|--------------------------------|---------------------|-------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2021 | 469,951 | 1,064,840 | 1,534,791 |
| Surplus/(Loss) for the year | (148,121) | (107,262) | (255,383) |
| Balance at 30 June 2022 | 321,830 | 957,578 | 1,279,408 |

2021

| | | | |
|--------------------------------|----------------|------------------|------------------|
| Balance at 1 July 2020 | 370,202 | 1,077,923 | 1,448,125 |
| Surplus/(Loss) for the year | 99,749 | (13,083) | 86,666 |
| Balance at 30 June 2021 | 469,951 | 1,064,840 | 1,534,791 |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

| | 2022 | 2021 |
|---|---------------------------|-------------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from supporters | 779,962 | 1,150,540 |
| Receipts from Federal Government funding | 693,246 | 150,000 |
| Receipts from Government COVID-19 support | - | 117,021 |
| Interest received | 2,478 | 3,707 |
| Payments to suppliers and employees | (562,590) | (354,270) |
| Payments for designated projects | (1,145,628) | (741,749) |
| Net cash provided by/(used in) operating activities | 14 <u>(232,532)</u> | <u>325,249</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Property, Plant and Equipment | <u>(3,897)</u> | <u>(30,842)</u> |
| Net cash provided by/(used in) investing activities | <u>(3,897)</u> | <u>(30,842)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | <u>706</u> | <u>560</u> |
| Net cash provided by/(used in) financing activities | <u>706</u> | <u>560</u> |
| Net increase/(decrease) in cash and cash equivalents held | <u>(235,723)</u> | <u>294,967</u> |
| Cash and cash equivalents at beginning of year | <u>1,496,425</u> | <u>1,201,458</u> |
| Cash and cash equivalents at end of financial year | 4 <u><u>1,260,702</u></u> | <u><u>1,496,425</u></u> |

The accompanying notes form part of these financial statements.

International Nepal Fellowship (Australia) Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers International Nepal Fellowship (Australia) Limited as an individual entity. International Nepal Fellowship (Australia) Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were serving poor and marginalised communities in Nepal. This was done through raising awareness of the situation in Nepal and encouraging prayer for Nepali people; raising funds to support projects addressing their needs, and enabling Australian volunteers to serve in Nepal.

These financial statements are general purpose financial statements that have been prepared in Accordance with Australian Accounting Standards – Simplified Disclosure Requirements, ACFID Code of Conduct and the *Australian Charities and Not-for-profits Commission Act 2012*.

The functional and presentation currency of International Nepal Fellowship (Australia) Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Grant revenue

Grant revenue is recognised in the statement of income and expense when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company 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 satisfied.

Donations and fundraising

The Company recognises amounts donated or raised on behalf of the Company as income only when they are received by the Company.

Interest income

Interest is recognised when received/receivable.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|----------------------------------|--------------------------|
| Furniture, Fixtures and Fittings | 20% |
| Office Equipment | 20% |
| Computer Equipment | 33.3% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

(g) 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.

(h) Leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Depreciation is charged for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note for details of the changes due to standards adopted.

3 Other Income

| | 2022 | 2021 |
|-----------------------------|-----------|----------------|
| | \$ | \$ |
| Government grant - COVID 19 | - | 105,021 |
| Other income | 94 | 454 |
| Total other income | 94 | 105,475 |

4 Cash and Cash Equivalents

| | | |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 1,260,702 | 1,011,987 |
| Short term deposits | - | 484,437 |
| | 1,260,702 | 1,496,424 |

5 Trade and other receivables

| CURRENT | | |
|--|---------------|--------------|
| Accounts receivable | 10,981 | - |
| GST receivable | 2,142 | 4,291 |
| Total current trade and other receivables | 13,123 | 4,291 |

6 Prepayments and other assets

| CURRENT | | |
|---------------------------------|---------------|---------------|
| Prepayments - overseas projects | 37,714 | 77,137 |
| Prepayments - general | 5,203 | 3,746 |
| Other current assets | - | 530 |
| | 42,917 | 81,413 |

International Nepal Fellowship (Australia) Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Property, plant and equipment

| | 2022 | 2021 |
|---|----------------|----------------|
| | \$ | \$ |
| PLANT AND EQUIPMENT | | |
| <i>Furniture, fixtures and fittings</i> | | |
| At cost | 8,048 | 8,048 |
| Accumulated depreciation | (1,732) | (122) |
| Total furniture, fixtures and fittings | 6,316 | 7,926 |
| <i>Computer equipment</i> | | |
| At cost | 13,164 | 9,266 |
| Accumulated depreciation | (5,976) | (1,771) |
| Total computer equipment | 7,188 | 7,495 |
| <i>Computer software</i> | | |
| At cost | 13,675 | 24,438 |
| Accumulated depreciation | (12,042) | (8,382) |
| Total computer software | 1,633 | 16,056 |
| Total plant and equipment | 15,137 | 31,477 |
| RIGHT OF USE | | |
| <i>Right-of-Use - Buildings</i> | | |
| At cost | 127,540 | 127,540 |
| Accumulated depreciation | (27,631) | (2,119) |
| Total Right-of-Use - Buildings | 99,909 | 125,421 |
| Total property, plant and equipment | 115,046 | 156,898 |

8 Trade and Other Payables

| | | |
|-------------------------|---------------|---------------|
| CURRENT | | |
| Trade payables | 2,302 | 5,880 |
| PAYG payable | 10,986 | 13,554 |
| Accrued expenses | 12,230 | 29,587 |
| Fringe benefits payable | 2,446 | - |
| | 27,964 | 49,021 |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

International Nepal Fellowship (Australia) Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Lease liabilities

The maturity analysis of lease liabilities based on contractual discounted cash flows is shown in the table below:

| | < 1 year | 1 - 5 years | > 5 years | Total undiscounted lease liabilities |
|-------------------|----------|-------------|-----------|--|
| | \$ | \$ | \$ | \$ |
| 2022 | | | | |
| Lease liabilities | 23,787 | 78,271 | - | 102,058 |
| 2021 | | | | |
| Lease liabilities | 24,103 | 99,906 | - | 124,009 |

10 Employee Benefits

| | 2022 | 2021 |
|------------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Annual leave provision | 19,934 | 18,892 |
| Long service leave provision | 1,209 | 12,511 |
| | <u>21,143</u> | <u>31,403</u> |
| NON-CURRENT | | |
| Long service leave provision | 1,115 | 440 |
| | <u>1,115</u> | <u>440</u> |

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$ 222,925 (2021: \$ 196,578).

The Key Management Personnel during the year were Chief Executive Officer, Nepal Programs Manager (0.6 FTE), Strategic Engagement Manager (0.6 FTE) and Finance Manager (0.6 FTE).

INF Australia engaged in no transactions with other related parties.

12 Auditors' Remuneration

Remuneration of the auditor, WSC Group - Audit Pty Ltd, for:

| | | |
|-------------------------------------|--------------|--------------|
| - auditing the financial statements | 6,550 | 7,250 |
| Total | <u>6,550</u> | <u>7,250</u> |

13 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

International Nepal Fellowship (Australia) Limited

ABN: 75 090 528 500

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

| | 2022 | 2021 |
|--|------------------|----------------|
| | \$ | \$ |
| Profit for the year | (255,383) | 86,666 |
| Non-cash flows in profit: | | |
| - depreciation | 39,469 | 8,757 |
| - loss on disposal of property, plant and equipment | 6,281 | - |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (10,452) | 26,832 |
| - (increase)/decrease in prepayments | 37,967 | 161,128 |
| - (increase)/decrease in inventories | 30 | 523 |
| - increase/(decrease) in trade and other payables | (18,909) | 39,002 |
| - increase/(decrease) in provisions | (9,585) | 2,341 |
| - increase/(decrease) in lease liability | (21,950) | - |
| Cashflows from operations | <u>(232,532)</u> | <u>325,249</u> |

15 Non-monetary gifts and donations

The work of INF Australia is supported by a large number of volunteers each year. The contributions from volunteers, through regular mail opening, project assistance, general administration etc. mean that INF Australia is able to deliver a greater proportion of cash donations directly to field projects. The donated services of specific volunteers have been valued using DFAT guidelines and are recognised in the financial report as "Donations and Gifts – non monetary".

During the year ended 30 June 2022, 336 (2021: 448) volunteer hours were provided to INF Australia at a commercial value of \$23,580 (2021: \$21,356).

In addition, INF Australia seeks to demonstrate the value of the non-financial contribution provided by INF Australia's volunteers in Nepal who serve in technical advisory and training roles. This has been calculated by comparing an estimate of their earning power in Australia to the volunteer allowance they receive in Nepal, and is summarised in the table below.

| | | |
|---|---------|---------|
| Non-financial contribution in Australia | 23,580 | 21,356 |
| Non-financial contribution in Nepal | 107,434 | 305,154 |

International Nepal Fellowship (Australia) Limited

ABN: 75 090 528 500

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 Fundraising information

The following information is disclosed in accordance with *Charitable Fundraising Act (NSW) 1991*. Charitable fundraising licence number 17644, expiry 6 December 2024.

Various fundraising activities were conducted during the year including appeals, regular giving and major gifts.

Results of fundraising appeals

| | 2022 | 2021 |
|---|-----------|-----------|
| | \$ | \$ |
| Gross proceeds from fundraising appeals | 779,868 | 1,134,723 |
| Non monetary donations and gifts | 131,014 | 326,510 |
| Less: Fundraising costs - Public | (100,209) | (56,512) |
| Net surplus obtained from fundraising appeals | 810,673 | 1,404,721 |
| % Fundraising costs/ gross fundraising income | 11% | 4% |
| | | |
| Total funds distributed to objectives of the Company (Project costs, program support & community education) | 1,537,782 | 1,390,992 |
| Total expenditure | 1,861,553 | 1,634,279 |
| % of all costs directly incurred in aiding Nepal projects and programmes | 83% | 85% |

Gross proceeds from fundraising appeals for 2022 includes bequests of \$62,268 (2021: \$237,107).

17 Deductible Gift Recipient Status

In 2016 financial year The International Nepal Fellowship (Australia) Limited ("INF Australia") was endorsed in its own right by the Australian Commissioner of Taxation to be a Deductible Gift Recipient ("DGR"). Previously only the INF Relief Fund was endorsed as a DGR. This now enables INF Australia and the INF Australia Relief Fund to issue tax deductible receipts for all donations received.

18 Statutory Information

The registered office and principal place of business of the company is:

International Nepal Fellowship (Australia) Limited
Suite 3, 65 Nicholson St
St Leonards NSW 2065

International Nepal Fellowship (Australia) Limited

ABN: 75 090 528 500

Responsible Persons' Declaration

Declaration in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission: Regulation 2013*

The responsible persons declare that in the responsible persons' opinion:

- the financial statements and notes for the year ended 30 June 2022 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and:
 - Comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*; and,
 - Give a true and fair view of the financial position of the Company as at 30 June 2022 and its performance for the year ended on that date.
- there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Declaration as required by the *Charitable Fundraising Act 1991 (NSW)*:

- the accounts for the year ended 30 June 2022 give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- the statement of financial position as at 30 June 2022 gives a true and fair view of the state of affairs with respect to fundraising appeals;
- the provisions of the *Charitable Fundraising Act 1991 (NSW)* and the regulations under that Act and the conditions attached to the authority have been complied with; and
- the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

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

Ravi Underwood
Chair of the Board

Dated this 24th day of October 2022



Independent Audit Report to the members of International Nepal Fellowship (Australia) Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of International Nepal Fellowship (Australia) Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 persons' declaration.

In our opinion the financial report of International Nepal Fellowship (Australia) Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



SYDNEY CBD
Level 8, 33-35 York St
Sydney NSW 2000
PO Box 3070, Bangor NSW 2234
T (02) 9138 1020 | 1300 365 125
F (02) 8525 4650 ABN. 50 350 478 852
E info@wscgroup.com.au

SYDNEY (Head Office)
Unit 11, 800 - 812 Old Ilawarra Road
Menai NSW 2234
PO Box 3070, Bangor NSW 2234
T (02) 8525 4600 | 1300 365 125
F (02) 8525 4650 ABN. 50 350 478 852
E info@wscgroup.com.au

ALSO BRANCHES AT:
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• GOLD COAST
• MELBOURNE
• NEWCASTLE
• PERTH





Independent Audit Report to the members of International Nepal Fellowship (Australia) Limited

In preparing the financial report, the responsible persons are responsible for assessing the Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 the financial report.

WSC Group - Audit Pty Ltd

A F Gilbert, CA

Director
Dated this 24th day of October 2022



Liability Limited by a scheme approved under Professional Standard Legislation

WSC Group is a CPA Practice

SYDNEY CBD

Level 8, 33-35 York St
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