

QUAKER SERVICE AUSTRALIA INCORPORATED
ABN 35 989 797 918

FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

QUAKER SERVICE AUSTRALIA INCORPORATED
ABN 35 989 797 918

TABLE OF CONTENTS

Management Committee's Report	3
Auditor's Independence Declaration	5
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7 - 8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 18
Management Committee Declaration	19
Independent Audit Report	20 - 21

QUAKER SERVICE AUSTRALIA INCORPORATED

MANAGEMENT COMMITTEE'S REPORT

Your committee members submit the financial report of the Quaker Service Australia Incorporated (the 'association') for the financial year ended 30 September 2016.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Garry Duncan (appointed 20/9/2013, appointed Convenor 17/10/2015)

John Dundas (Volunteer staff, appointed Treasurer 17/10/2015)

Jackie Perkins (staff)

Glyn Naunton (appointed 7/1/2013, retired 1/7/2016)

Audrey Wilson (appointed 7/1/13)

Chloe Mason (appointed 6/1/2014, retired 31/1/2016)

Michael Morrissey (appointed 20/9/2013, retired 11/10/2015)

Richard Gibbons (appointed 4/6/2016)

Miriam Goodwin (appointed 4/6/2016)

Mary J Merindol (appointed 6/8/2016)

Ex officio:

AYM Presiding Clerk

Julian Robertson, retired 9/7/2016

Jo Jordan appointed 9/7/2016

AYM Secretary

Susan Addison, died 10/11/2015

Jacque Schultz appointed 1/7/2016

The Regional Meeting Quaker Service Committee Representatives and Convenors are :-

	<u>Representatives</u> (who are also members of the Committee)
Canberra Regional Meeting	Mardi Naulty
Queensland Regional Meeting	Marian James
South Australia & Northern Territory Regional Meeting	Topsy Evans
New South Wales Regional Meeting	Jasmine Payget
Tasmania Regional Meeting	Barbara Wilde
Victoria Regional Meeting	Anne Herbert
West Australia Regional Meeting	Henry Esbenshade

Principal Activities

The principal activity of the association during the financial year was the provision of aid for humanitarian projects in Australia and overseas.

No significant change in the nature of these activities occurred during the year.

Operating Result

The net surplus amounted to \$65,361 (2015: deficit \$2,470).

Review of Operations

During the current year the association has continued to provide services in line with our vision and purpose statement and also in line with the view of a not-for-profit organisation.

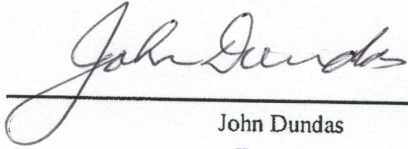
QUAKER SERVICE AUSTRALIA INCORPORATED

MANAGEMENT COMMITTEE'S REPORT

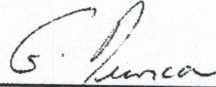
Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 September 2016 has been received and can be found on page 5 of the financial report.

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



John Dundas
Treasurer



Garry Duncan
Convenor

Dated this 20th day of January 2017

To the Management Committee of Quaker Service Australia Incorporated

Auditor's Independence Declaration under subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012.

In accordance with Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the Management Committee of Quaker Service Australia Incorporated.

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2016 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Audit Pty Ltd



Lester Wills
Director
Chartered Accountant, Registered Company Auditor

Date: 20/01/2017

QUAKER SERVICE AUSTRALIA INCORPORATED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016	2015
		\$	\$
REVENUE			
Donations and gifts			
- Monetary		345,923	398,721
- Non-monetary		-	-
Legacies and bequests		121,907	4,138
Grants - DFAT (Australian Aid)			
- DFAT (Australian Aid)		306,000	300,000
- Other Australian		-	-
- Other overseas		-	-
Investment income - Interest from financial institutions		10,435	11,005
Other income		-	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
Total Revenue		<u><u>784,265</u></u>	<u><u>713,864</u></u>
EXPENSES			
International Aid and Development Programs Expenditure			
International programs:			
- Funds to international programs		(538,185)	(495,676)
- Program support costs		(46,926)	(43,273)
Community Education		(6,213)	(9,914)
Fundraising costs:			
- Public		(3,363)	(3,703)
- Government, multilateral and private		(9,237)	(6,693)
Non-monetary expenditure		-	-
Less overheads allocated to projects		30,000	30,050
Total International Aid and Development Programs Expenditure		<u><u>(573,924)</u></u>	<u><u>(529,209)</u></u>
Employee benefits expense		(100,535)	(89,661)
Accountability and administration		(28,409)	(61,758)
Depreciation and amortisation expenses		(533)	(386)
International Political or Religious Adherence Promotion Programs expenditure		-	-
Domestic programs expenditure (incl monetary and non monetary)		(15,503)	(35,321)
Total expenses		<u><u>(718,904)</u></u>	<u><u>(716,335)</u></u>
Excess/(shortfall) of revenue over expenditure		<u><u>65,361</u></u>	<u><u>(2,470)</u></u>
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>65,361</u></u>	<u><u>(2,470)</u></u>

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	Notes	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	334,019	277,380
Trade and other receivables		-	-
Inventories		-	-
Assets held for sale		-	-
Other financial assets	4	283,882	274,300
TOTAL CURRENT ASSETS		617,901	551,680
NON-CURRENT ASSETS			
Trade and other receivables		-	-
Other financial assets		-	-
Plant and equipment	5	1,354	1,206
Investment property		-	-
Intangibles		-	-
Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		1,354	1,206
TOTAL ASSETS		619,255	552,886
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	95,119	103,213
Borrowings		-	-
Current tax liabilities		-	-
Other financial liabilities		-	-
Deferred income		126,000	120,000
Provisions	7	31,366	28,264
Other		-	-
TOTAL CURRENT LIABILITIES		252,485	251,477
NON-CURRENT LIABILITIES			
Borrowings		-	-
Other financial liabilities		-	-
Provisions		-	-
Other		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		252,485	251,477
NET ASSETS		366,770	301,409

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	Notes	2016 \$	2015 \$
<hr/>			
EQUITY			
Reserves	8	115,866	112,074
Retained earnings		<u>250,904</u>	<u>189,335</u>
TOTAL EQUITY		<u>366,770</u>	<u>301,409</u>

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA INCORPORATED
ABN 35 989 797 918

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	Retained Earnings \$	Reserves \$	Total \$
2016				
Balance at 1 October 2015		189,335	112,074	301,409
Adjustments or changes in equity		-	-	-
Items of other comprehensive income		-	-	-
Excess of revenue over expenses		65,361	-	65,361
Other amounts transferred (to) or from reserves		(3,792)	3,792	-
Balance at 30 September 2016		<u>250,904</u>	<u>115,866</u>	<u>366,770</u>
2015				
Previously reported balance at 1 October 2014		429,733	112,074	541,807
Impact of voluntary change in accounting policy	1.2	(237,926)	-	(237,926)
Revised balance at 1 October 2014		<u>191,807</u>	<u>112,074</u>	<u>303,881</u>
Items of other comprehensive income		-	-	-
Shortfall of revenue over expenses		(2,470)	-	(2,470)
Other amounts transferred (to) or from reserves		-	-	-
Balance at 30 September 2015		<u>189,335</u>	<u>112,074</u>	<u>301,409</u>

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Bequests		121,907	4,138
Grants - DFAT (Australian Aid)		312,000	300,000
Donations received		345,923	398,721
Payments to suppliers and employees		(723,363)	(729,841)
Interest received		853	637
Net cash flows from operating activities		<u>57,320</u>	<u>(26,345)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(681)	(331)
Redemptions from financial assets - long-term fund		-	49,000
Net cash flows from investing activities		<u>(681)</u>	<u>48,669</u>
Net increase/(decrease) in cash and cash equivalents		56,639	22,324
Cash and cash equivalents at beginning of year		<u>277,380</u>	<u>255,056</u>
Cash and cash equivalents at end of year		<u><u>334,019</u></u>	<u><u>277,380</u></u>

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	3	<u>334,019</u>	<u>277,380</u>
		<u><u>334,019</u></u>	<u><u>277,380</u></u>

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Significant accounting policies

1.1 Basis of preparation

The financial report includes the financial statements and notes of Quaker Service Australia Incorporated ('on the association').

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and interpretations of the Australian Accounting Standards Board, the *Australian Charities and Not-for Profits Commission Act 2012* and the *Australian Council for International Development Code of Conduct Financial Standards*. Quaker Service Australia is an association incorporated in New South Wales under the *associations Incorporation Act 2009* and 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 these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

These financial statements are presented in Australian dollars, which is the association's functional currency.

The financial statements for the year ended 30 September 2016 were authorised for issue on 13 January 2017 by the Management Committee of Quaker Service Australia Incorporated.

1.2 Voluntary change in accounting policy

The association has changed its accounting policy for the recognition of grant income and program costs. The new policy recognises grant revenue when the association obtains control or right to receive the grant, it is probable that the economic benefits gained from the grant will flow to the association, and the amount of the grant can be measured reliably.

Grants that are refundable should specified services not be delivered or specified conditions not satisfied, are initially recognised as a liability and revenue is recognised as the services are performed or the conditions satisfied. Previously, grants were recognised as revenue on a cash basis.

Program costs are now recognised as a liability when the service provider has met milestone requirements. Previously they were recognised when paid.

The impact of the above changes were to increase deferred income by \$126,000 (2015: \$120,000), decrease revenue by \$6,000 (2015: \$nil) increase project funding payable by \$94,909 (2015: \$103,503) and decrease project expenses by \$8,594 (2015: \$14,424). Opening retained earnings as at 1 October 2014 was reduced by \$237,926.

QUAKER SERVICE AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Significant accounting policies (continued)

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts. The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the association's activities as described below. All revenue is stated net of the amount of goods and services tax (GST).

a) Interest revenue

Interest income is recognised on an accruals basis, using the effective interest method.

b) Grant revenue

Grant revenue is recognised when the association obtains control or right to receive the grant, it is probable that the economic benefits gained from the grant will flow to the association, and the amount of the grant can be measured reliably.

Grants that are refundable should specified services not be delivered or specified conditions not be satisfied, are initially recognised as a liability and revenue is recognised as the services are performed or the conditions satisfied.

c) Donations and bequests

Donations and bequests are recognised as revenue when the association gains control or right to receive, economic benefits are probable, and the amount of the donation or bequest can be measured reliably. This is generally on receipt.

d) Other revenue

Revenue from other sources is recognised when the fee in respect of other products or services provided is receivable.

1.4 Income tax

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

1.5 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 and are subject to an insignificant risk of change in value.

1.6 Plant and Equipment

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

In the event that the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1.8 for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation Rate</u>
Office furniture	15%
Office equipment	25%
Information technology	33%

QUAKER SERVICE AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These gains and losses are included in the statement of comprehensive income.

1.7 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. The subsequent measurement depends on the classification of the financial instrument as described below.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held to maturity assets.

a) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to be realised within 12 months after the end of the reporting year.

b) Held-to-maturity investments

These investments have fixed maturities, and it is the association's intention to hold these investments to maturity. Any held-to-maturity investments held by the association are stated at amortised cost using the effective interest method.

c) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from the changes in fair value are recognised in accumulated funds.

d) Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

QUAKER SERVICE AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Significant accounting policies (continued)

Borrowings are classified as current liabilities unless the association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of each reporting period, the Management Committee assess whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of comprehensive income.

1.8 Impairment of non-financial assets

At each reporting date, the Management Committee assess whether there is an 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. For the purpose of determining recoverable amount, value in use is measured as the asset's depreciated replacement cost. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

1.9 Trade and other payables

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

1.10 Employee benefits

Provision is made for the association'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. Employee benefits not expected to be wholly settled within twelve months have been measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those estimated cash outflows are discounted using market yields on Commonwealth government bonds with terms to maturity that match the expected timing of cash flows.

1.11 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 Taxation 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.12 Economic dependency

The association is dependent on the ongoing receipt of grants from the Federal and State Governments to ensure the continuance of its education services.

1.13 Donated services

The association partly relies on voluntary services of its supporters. These services are not brought to account.

Overseas Development Work

However the management committee estimates that the volunteer time devoted to overseas development work for the financial year was \$1035.75. This was calculated according to the Australian pay rate as outlined in the Department of Foreign Affairs and Trade website.

Community Education

The committee also estimates that donated volunteer time devoted to Community Education was \$1412.94. This is in addition to the Community Education expense (\$6213.44) shown under Disbursements in the Income Statement (page 6) giving a total amount for Community Education of \$7626.38.

QUAKER SERVICE AUSTRALIA INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2 Accountability and administration

	2016	2015
	\$	\$
Audit fees	6,170	6,000
Bank and credit card fees	1,203	1,272
Computer expenses	1,338	2,166
General expenses	3,831	17,392
Insurance expenses	3,114	3,205
Office expenses	2,221	4,017
Rent expense	4,800	2,400
Subscriptions	2,088	13,458
Telephone expenses	1,251	1,275
Travelling expenses	2,074	10,330
Workers compensation	319	243
	28,409	61,758

3 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash on hand	177	265
Cash at bank	333,842	277,115
	334,019	277,380

4 Other financial assets

Available-for-sale financial assets:

Tasmanian Perpetual Trustee - long-term fund	283,882	274,300
--	----------------	----------------

The effective return on the asset was 3.13% (2015: 3.43%) and it is redeemable with 7 business days notice.

QUAKER SERVICE AUSTRALIA INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

5 Plant and equipment

	2016	2015
	\$	\$
IT Equipment, furniture & Fixtures	6,236	5,555
Less: accumulated depreciation	<u>(4,882)</u>	<u>(4,349)</u>
	<u>1,354</u>	<u>1,206</u>

Movement in carrying value

	IT Equipment \$	Furniture and Fixtures \$	Total \$
Current year			
Balance at the beginning of the year	875	331	1,206
Additions	681	-	681
Disposals	-	-	-
Depreciation	<u>(483)</u>	<u>(50)</u>	<u>(533)</u>
Carrying amount at the end of year	<u>1,073</u>	<u>281</u>	<u>1,354</u>

6 Trade and other payables

CURRENT

Support money held	(210)	290
Project funding payable	<u>(94,909)</u>	<u>(103,503)</u>
	<u>(95,119)</u>	<u>(103,213)</u>

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

7 Employee benefits

CURRENT

Annual and long-service leave	<u>(31,366)</u>	<u>(28,264)</u>
-------------------------------	------------------------	------------------------

8 Reserves

The association holds a reserve fund of \$115,866 (2015: \$112,074) kept aside for expenditure outside of ordinary activities. This is to allow for exchange rate losses, staff annual leave and long service leave, and to provide for three months of expenditure in the event of winding up.

QUAKER SERVICE AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

9 Table of cash movements for designated purposes (cash basis)

Designated Purpose	Cash available at the beginning of the year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at the end of the year \$
Department of Foreign Affairs and Trade (Australian Aid) Funded Projects				
Administration				
Administration Australian NGO Cooperation Program Projects 2016	15,200	6,000	21,200	-
Administration Australian NGO Cooperation Program Projects 2017	-	24,800	8,800	16,000
Cambodia				
Department of Women's Affairs Kampong Thom Cambodia	21,342	7,781	29,123	-
Department of Women's Affairs Pursat	44,672	17,594	62,266	-
Production Marketing Services Cambodia	34,172	13,621	47,793	-
Kmer Community Development	42,514	15,098	57,612	-
Dept Women's Affairs – Kampong Thom	-	34,042	5,944	28,098
Dept Women's Affairs - Pursat	-	54,647	4,224	50,423
Production & Marketing Services association	-	88,682	38,619	50,063
Kmer Community Development 2015	-	57,150	28,332	28,818
Evaluation Cambodia	14,368	5,269	19,637	-
Uganda				
St Jude Family Projects	44,144	12,088	56,232	-
Uganda KYASIDPED 2016	35,343	9,721	45,064	-
Uganda KYASIDPED 2016 2017	-	36,580	18,010	18,570
ECO Agric Uganda	-	17,269	8,607	8,662
St Jude Uganda 2016 2017	-	44,136	18,314	25,822
India				
Vasandham Society India	-	19,784	5,600	14,184
Pitchandikulam Forest	38,911	27,382	66,293	-
Integrated Village Development	-	63,844	22,083	41,761
Sub total	290,666	555,488	563,753	282,401
Other Purposes	261,014	225,195	160,291	335,500
Non-cash transactions	-	3,582	-	-
TOTAL	551,680	784,265	724,044	617,901
Represented by:				
Cash and cash equivalents (Note 3)	277,380			334,019
Other financial assets (Note 4)	274,300			283,882
	551,680			617,901

QUAKER SERVICE AUSTRALIA INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

10 Reconciliation of cash disbursements

The following reconciliation is the total cash disbursements during the year:

	2016
	\$
Total Expenditure	718,904
Depreciation Expense (non-cash expense)	(533)
Loss on Disposal of Property Plant and Equipment	-
Payment for property, plant and equipment (capital acquisition)	681
Movement in trade payables	8,094
Movement in provisions	(3,102)
	<u>724,044</u>

11 Funds to international programs

Includes no donations received this year and passed on to another agency.

12 Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including any member of the committee is considered key management personnel (KMP). The totals of remuneration paid to KMP or the association during the year are as follows:

	2016	2015
	\$	\$
Total remuneration paid & payable to key management personnel.	<u>80,454</u>	<u>71,954</u>

13 Related party disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Related party transactions during the year totalled to \$4,800 (2015: \$4,800) paid as rent to the Religious Society of Friends (Quakers) NSW Regional Meeting Inc. The owners of the property at 119 Devonshire Street Surry Hills.

14 Commitments

Project commitments

Project commitments contracted for but not recognised in the financial statements:

Payable within 12 months	<u>235,567</u>	<u>254,031</u>
--------------------------	----------------	----------------

Project liabilities and expenses are recognised when the service provider has met the milestone requirements.

15 Events after the reporting period

There has not risen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Management Committee, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the entity in future years.

16 Association details

The principal place of business of the association is:

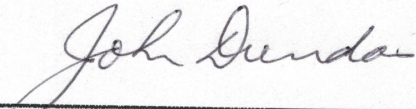
119 Devonshire Street
SURRY HILLS NSW 2010

QUAKER SERVICE AUSTRALIA INCORPORATED
MANAGEMENT COMMITTEE DECLARATION

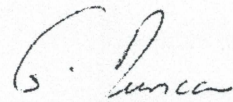
The Management Committee of Quaker Service Australia Incorporated declare that, in their opinion:

- (a) 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*, *Australian Council for International Development Code of Conduct Financial Standards*, the *Associations Incorporation Act 2009 (NSW)* and:
 - i. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - ii. give a true and fair view of the financial position as at 30 September 2016 and of the performance for the year ended on that date of the association;
- (b) in the Management Committee's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Management Committee.



John Dundas
Treasurer



Garry Duncan
Convenor

Dated this 20th day of January 2017

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
QUAKER SERVICE AUSTRALIA INCORPORATED**

Report on the Financial Report

We have audited the accompanying financial report of Quaker Service Australia Incorporated (the 'association') for the year ended 30 September 2016 consisting of the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes and Committee Members' Declaration.

Responsible entities' Responsibility for the Financial Report

The Committee Members' of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Council for International Development Code of Conduct Financial Standards*, and the *Associations Incorporation Act 2009 (NSW)*. Further, the Committee Members are responsible for such internal control as the association determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, as well as evaluating the overall presentation of the financial report.

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

Basis for Qualified Opinion

Fundraising revenue is a significant source of revenue for the association. The small size of the organisation limits its span of control over more remote fundraising activities by its volunteers around Australia. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to fundraising had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether donations and fees recorded for the association are complete.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Quaker Service Australia Incorporated is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Council for International Development Code of Conduct Financial Standards*, and the *Associations Incorporation Act 2009 (NSW)* including:

- (i) giving a true and fair view of the association's financial position as at 30 September 2016 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Nexia Sydney Audit Pty Limited
Sydney
Dated: 20/01/2017



Lester Wills
Director
Chartered Accountant, Registered Company Auditor