

QUAKER SERVICE AUSTRALIA LIMITED
ABN 35 989 797 918

FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

QUAKER SERVICE AUSTRALIA LIMITED
ABN 35 989 797 918

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QUAKER SERVICE AUSTRALIA LIMITED

MANAGEMENT COMMITTEE'S REPORT

Your committee members submit the financial report of the Quaker Service Australia Limited (the 'Company') for the financial year ended 30 September 2017.

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)

Audrey Wilson (appointed 7/1/13, retired 1/7/2017)

Richard Gibbons (appointed 4/6/2016)

Miriam Goodwin (appointed 4/6/2016)

Mary J de Merindol (appointed 6/8/2016)

David Cooper (appointed 3/12/16)

Ex officio:

AYM Presiding Clerk

Jo Jordan appointed 9/7/2016

AYM Secretary

Jacque Schultze appointed 1/7/2016

The Regional Meeting Quaker Service Committee Representatives are :

| | <u>Representatives</u> (who are also members of the Committee) |
|---|--|
| Canberra Regional Meeting | Alex Nicolson |
| Queensland Regional Meeting | Rhoda Dorrell |
| South Australia & Northern Territory Regional Meeting | Topsy Evans |
| New South Wales | Jasmine Payget |
| Tasmania Regional Meeting | Beverley Jefferson |
| Victoria Regional Meeting | Anne Herbert |
| West Australia Regional Meeting | Henry Esbenshade |
| Young Friends representative | Kyle Purnell |

Principal Activities

The principal activity of the company 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 \$171,724 (2016: surplus \$65,361).

Review of Operations

During the current year the company 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.

Significant Changes in the State of Affairs

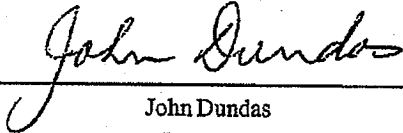
During the current year the entity moved from being an incorporated body to a public company limited by guarantee.

QUAKER SERVICE AUSTRALIA LIMITED
MANAGEMENT COMMITTEE'S REPORT

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 September 2017 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 10th day of January 2018

To the Committee Members' of Quaker Service Australia Limited

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

As lead audit partner for the audit of the financial statements of Quaker Service Australia Limited for the financial year ended 30 September 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Audit Pty Ltd



Lester Wills

Director

Registered Company Auditor

Sydney

Dated: 10th January 2018

QUAKER SERVICE AUSTRALIA LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

| | Notes | 2017 | 2016 |
|---|-------|------------------|------------------|
| | | \$ | \$ |
| REVENUE | | | |
| Donations and gifts | | | |
| - Monetary | | 409,879 | 345,923 |
| - Non-monetary | | - | - |
| Bequests and Legacies | | 305,000 | 121,907 |
| Grants | | | |
| - DFAT (Australian Aid) | | 333,900 | 306,000 |
| Investment income - Interest from financial institutions | | 7,960 | 10,435 |
| Total Revenue | | <u>1,056,739</u> | <u>784,265</u> |
| EXPENSES | | | |
| International Aid and Development Programs Expenditure | | | |
| International programs: | | | |
| - Funds to international programs | | (617,421) | (538,185) |
| - Program support costs | | (50,048) | (46,926) |
| Less overheads allocated to projects | | 31,000 | 30,000 |
| Total International Aid and Development Programs Expenditure | | <u>(636,469)</u> | <u>(555,111)</u> |
| Community Education | | (7,260) | (6,213) |
| Fundraising costs: | | | |
| - Public | | (2,600) | (3,363) |
| - Government, multilateral and private | | (19,370) | (9,237) |
| Accountability and administration | | (69,235) | (28,409) |
| Depreciation and amortisation expenses | | (1,354) | (533) |
| Domestic programs expenditure (incl. monetary and non-monetary) | | (57,612) | (15,503) |
| Other expenditure | | (91,115) | (100,535) |
| Total expenses | | <u>(885,015)</u> | <u>(718,904)</u> |
| Excess/(shortfall) of revenue over expenditure | | <u>171,724</u> | <u>65,361</u> |
| Other comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>171,724</u> | <u>65,361</u> |

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

| | Notes | 2017 \$ | 2016 \$ |
|--------------------------------------|-------|----------------|------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 631,634 | 334,019 |
| Other financial assets | 4 | 251,507 | 283,882 |
| TOTAL CURRENT ASSETS | | 883,141 | 617,901 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 5 | - | 1,354 |
| TOTAL NON-CURRENT ASSETS | | - | 1,354 |
| TOTAL ASSETS | | 883,141 | 619,255 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 157,819 | 95,119 |
| Deferred income | | 144,900 | 126,000 |
| Provisions | 7 | 41,117 | 31,366 |
| TOTAL CURRENT LIABILITIES | | 343,836 | 252,485 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | | 811 | - |
| TOTAL NON-CURRENT LIABILITIES | | 811 | - |
| TOTAL LIABILITIES | | 344,647 | 252,485 |
| EQUITY | | | |
| Reserves | 8 | 126,430 | 115,866 |
| Retained earnings | | 412,064 | 250,904 |
| TOTAL EQUITY | | 538,494 | 366,770 |

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA LIMITED
ABN 35 989 797 918

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

| | Notes | Retained Earnings \$ | Reserves \$ | Total \$ |
|---|-------|----------------------------|----------------|----------------|
| 2017 | | | | |
| Balance at 1 October 2016 | | 250,904 | 115,866 | 366,770 |
| Excess of revenue over expenses | | 171,724 | - | 171,724 |
| Other amounts transferred (to) or from reserves | | (10,564) | 10,564 | - |
| Balance at 30 September 2017 | | <u>412,064</u> | <u>126,430</u> | <u>538,494</u> |
| 2016 | | | | |
| Balance at 1 October 2015 | | 189,335 | 112,074 | 301,409 |
| 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> |

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

| | Notes | 2017 \$ | 2016 \$ |
|--|-------|----------------|----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Bequests | | 305,000 | 121,907 |
| Grants - DFAT (Australian Aid) | | 352,800 | 312,000 |
| Donations received | | 409,877 | 345,923 |
| Payments to suppliers and employees | | (810,397) | (723,363) |
| Interest received | | 335 | 853 |
| Net cash flows from operating activities | | <u>257,615</u> | <u>57,320</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | - | (681) |
| Proceeds from investing activities | | 40,000 | - |
| Net cash flows from investing activities | | <u>40,000</u> | <u>(681)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 297,615 | 56,639 |
| Cash and cash equivalents at beginning of year | | 334,019 | 277,380 |
| Cash and cash equivalents at end of year | | <u>631,634</u> | <u>334,019</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>631,634</u> | <u>334,019</u> |
| | | <u>631,634</u> | <u>334,019</u> |

The accompanying notes form part of these financial statements.

QUAKER SERVICE AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Significant accounting policies

1.1 Basis of preparation

The financial report includes the financial statements and notes of Quaker Service Australia Limited ('the company').

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 *Corporations Act 2001*, *Australian Charities and Not-for Profits Commission Act 2012* and the *Australian Council for International Development Code of Conduct Financial Standards*. Quaker Service Australia Limited is a public company limited by guarantee 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 company's functional currency.

The financial statements for the year ended 30 September 2017 were authorised for issue on 10th January 2018 by the Management Committee of Quaker Service Australia Limited.

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

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts. The company 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 company'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 company obtains control or right to receive the grant, 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.

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 company 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.

1.3 Income tax

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

1.4 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.

1.5 Plant and Equipment

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

QUAKER SERVICE AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 company commencing from the time the asset is held ready for use.

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

| Class of fixed asset | Depreciation Rate |
|------------------------|-------------------|
| Office furniture | 15% |
| Office equipment | 25% |
| Information technology | 33% |

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.

1.6 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company 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.

QUAKER SERVICE AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company 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.

Borrowings are classified as current liabilities unless the company 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.

1.7 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.

1.8 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 company 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.

1.9 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. 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.

1.10 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.

QUAKER SERVICE AUSTRALIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1.11 Economic dependency

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

1.12 Donated services

The company 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 \$1,456.14. 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 \$2,268.34. This is in addition to the Community Education expense (\$7,260.33) shown under Disbursements in the Income Statement (page 6) giving a total amount for Community Education of \$9,528.67.

2 Accountability and administration

| | 2017 | 2016 |
|---------------------------|---------------|---------------|
| | \$ | \$ |
| Audit fees | 6,458 | 6,170 |
| Bank and credit card fees | 1,123 | 1,203 |
| Computer expenses | 2,887 | 1,338 |
| General expenses | 26,551 | 3,831 |
| Insurance expenses | 3,600 | 3,114 |
| Office expenses | 4,029 | 2,221 |
| Rent expense | 4,800 | 4,800 |
| Subscriptions | 16,792 | 2,088 |
| Telephone expenses | 1,445 | 1,251 |
| Travelling expenses | 1,390 | 2,074 |
| Workers compensation | 297 | 319 |
| | 69,372 | 28,409 |

3 Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | | |
|--------------|----------------|----------------|
| Cash on hand | 251 | 177 |
| Cash at bank | 631,383 | 333,842 |
| | 631,634 | 334,019 |

4 Other financial assets

Available-for-sale financial assets:

| | | |
|--|---------|---------|
| Tasmanian Perpetual Trustee - long-term fund | 251,507 | 283,882 |
|--|---------|---------|

The effective return on the asset was 3.03% (2016: 3.13%) and it is redeemable with 7 business days' notice.

QUAKER SERVICE AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5 Plant and equipment

| | 2017 | 2016 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| IT Equipment, furniture & Fixtures | 6,236 | 6,236 |
| Less: accumulated depreciation | <u>(6,236)</u> | <u>(4,882)</u> |
| | <u>-</u> | <u>1,354</u> |

Movement in carrying value

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

6 Trade and other payables

CURRENT

| | | |
|-------------------------|------------------|-----------------|
| Support money held | 160 | (210) |
| Project funding payable | <u>(157,979)</u> | <u>(94,909)</u> |
| | <u>(157,819)</u> | <u>(95,119)</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>(41,117)</u> | <u>(31,366)</u> |
|-------------------------------|-----------------|-----------------|

NON-CURRENT

| | | |
|--------------------|--------------|----------|
| Long-service leave | <u>(811)</u> | <u>-</u> |
|--------------------|--------------|----------|

8 Reserves

The company holds a reserve fund of \$126,430 (2016: \$115,866) 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

QUAKER SERVICE AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Funds to international programs

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

10 Key management personnel compensation

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

| | 2017 | 2016 |
|--|-------------|-------------|
| | \$ | \$ |
| Total remuneration paid & payable to key management personnel. | 92,270 | 80,454 |

11 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 (2016: \$4,800) paid as rent to the Religious Society of Friends (Quakers) NSW Regional Meeting including the owners of the property at 119 Devonshire Street Surry Hills.

12 Commitments

Project commitments

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

| | | |
|--------------------------|---------|---------|
| Payable within 12 months | 257,662 | 235,567 |
|--------------------------|---------|---------|

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

13 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.

14 Company details

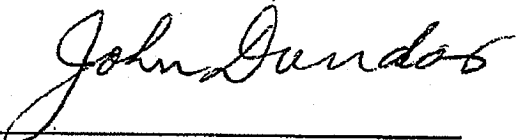
The principal place of business of the company is:
 119 Devonshire Street
 SURRY HILLS NSW 2010

QUAKER SERVICE AUSTRALIA LIMITED
MANAGEMENT COMMITTEE DECLARATION

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

- (a) the financial statements and notes as set out on pages 6 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Council for International Development Code of Conduct Financial Standards* 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 2017 and of the performance for the year ended on that date of the company;
- (b) in the Management Committee's opinion there are reasonable grounds to believe that the company 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 10th day of January 2018

Independent Auditor's Report to the Members of Quaker Service Australia Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Quaker Service Australia Limited (the Company), which comprises the statement of financial position as at 30 September 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee Members' declaration.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Council for International Development Code of Conduct Financial Standards*, including:

- i) giving a true and fair view of the Company's financial position as at 30 September 2017 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Company are complete.

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

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

Other information

The Committee Members are responsible for the other information. The other information comprises the information in Quaker Service Australia Limited annual report for the year ended 30 September 2017, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or

our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Committee Members' responsibility for the financial report

The Committee Members 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, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Council for International Development Code of Conduct Financial Standards* and for such internal control as the Committee Members determine 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.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We also provide the Committee Members 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.



Nexia Sydney Audit Pty Limited



Lester Wills

Director

Registered Company Auditor

Dated: 10th January 2018

Sydney