

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
ABN 78 821 615 548

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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FOR THE YEAR ENDED 30 JUNE 2020

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ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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DIRECTORS REPORT

Your directors present their report on the entity for the financial year ended 30 June 2020.

Directors

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

Paul Bailey	John Bullwinkel (resigned 24/10/2019)
Alexandra Chapman (resigned 22/06/2020)	Martin Hoffman
Robert Macdonald	Robyn Purdy
Melanie Wilson	

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

Principal Activities

The principal activity of the company is raising donations from the Australian public and the distribution of those funds to selected social and medical charitable projects in Ethiopia.

Short-term and Long-term Objectives

The entity's short term objectives are to:

- increase the level of donations received by Ethiopiaid Australia Foundation; and
- secure more long term supporters for Ethiopiaid Australia Foundation.

The entity's long term objectives are to:

- create lasting and positive change in Ethiopia by tackling problems of poverty, ill health and poor education.

Strategies

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

- targeting more supporters through direct mail advertising, face to face donor recruitment and other marketing methods with improved messaging; and
- contributing directly to worthwhile community projects in Ethiopia

New Accounting Standards Implemented

The Entity has implemented two new Accounting Standards that are applicable for the current reporting period and have come into effect, which are included in the results. AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* had no material impact on the current and comparative year figures. Further information is provided in Note 1(m).

Key Performance Measure

The company measures its performance by periodic reviews of the projects for which it has provided funding together with an assessment of the beneficial outcome

Information on Directors

Paul Bailey	Director
Qualifications	CFRE (Certified Fund-Raising Executive), BComms (Bachelor Communications, Advertising, Film)
Experience	Paul is a fundraising strategist and founding consultant/ managing director of Amplify Fundraising, a specialist consultancy to non-profits and charities. He has previously delivered fundraising strategy and communications campaigns for some of the world's best known organisations at roles with Pareto Fundraising and DVA Navion, as well as Whitewater Creative Services in the UK. Paul is a board director at Environment Victoria and special advisor to the Oaktree board of directors, and has been a director of Ethiopiaid' board since 2017. Paul currently works from Melbourne with charity partners around Australia, New Zealand, South East Asia, the UK and US.

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DIRECTORS REPORT

Information on Directors (continued)

Martin Hoffman	-	Director
Qualifications	-	Bachelor of Business Studies (Accounting); Post Graduate Diploma – Securities Institute of Australia; Diploma of Investor Relations – Australasian Investor Relations Association
Experience	-	Martin is Associate Director Government, Education and Community at nab Business Bank, and has over 35 years of senior management experience acquired in key national leadership roles with leading investment banks, funds management and specialist trustee companies. Martin was formerly a Division Director at Macquarie Bank, and Director of Structured Investments at Westpac Institutional Bank. He has a Bachelor of Business (Accounting) degree, as well as post-graduate diplomas from the Securities Institute of Australia and Australian Investor Relations Association. Martin is also a committee member of The Royal Children's Hospital Bioethics Board. His experience also includes senior management and leadership roles with various technology companies.
Robert Macdonald	-	Director (Chairperson)
Qualifications	-	CPA FAICD (Fellow – Australian Institute of Company Directors)
Experience	-	Robert is Chair and Executive Director of the Bayside Group – A specialist recruitment business driven by the vision - 'Partnering in the future of People'. Robert is passionate about living this vision which creates win-win commercial outcomes as well as fuels his passion to help out in the not for profit sector. Robert is an active fundraiser for many charities across Australia including Smith Family, Children's Medical Research Institute, LifeLine, Cancer Council, and Beyond Blue just to name a few. His specialties include Corporate Governance, Finance, Mergers & Acquisitions, Strategy, HSE and Quality.
Robyn Purdy	-	Director
Qualifications	-	Bachelor of Laws (LLB, Bachelor of Business, Marketing and Management
Experience	-	Robyn is a Senior Associate in Intellectual Property Law at Cornwalls; an independent law firm offering a full range of commercial law services. She has extensive experience in the trademark prosecution process, guidance on copyright, protection of confidential information and due diligence on companies' intellectual property. Robyn also has over 10 years' experience in general commercial practice, working with clients across retail, wholesale, manufacturing/automotive, sporting, clothing and health sectors.
Melanie Wilson	-	Director
Qualifications	-	GAICD, MBA, Grad. Dip. PR, BBus Marketing
Experience	-	Melanie is Director and Manager for the Bayside Group; a specialist recruitment business covering sectors across health, automotive, technology, finance and management. Her field of focus is in corporate strategy and marketing, and she is heavily involved in developing and driving business initiatives that add value for customers; from clients, to job seekers, to the Bayside workforce. Melanie is also a passionate volunteer in the not-for-profit sector and has extensive experience as a convenor for Amnesty International Australia.

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DIRECTORS REPORT

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

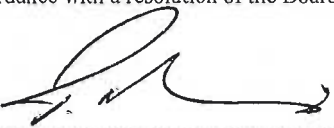
	Director Meetings	
	No. eligible to attend	No. attended
Paul Bailey	7	7
John Bullwinkel	2	2
Alexandra Chapman	7	5
Martin Hoffman	7	6
Robert Macdonald	7	7
Roby Purdy	7	7
Melanie Wilson	7	5

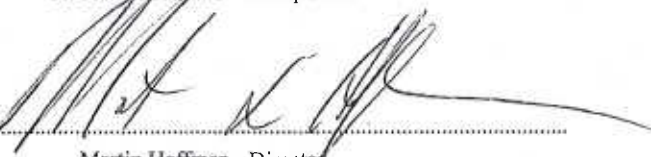
The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. As at 30 June 2020 the total amount that members of the company are liable to contribute if the company is wound up is \$16 (2019: \$16).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:


Director
Robert Macdonald - Chairperson


Director
Martin Hoffman - Director

Dated at Melbourne, this 13th day of October 2020

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-C SECTION 60-40
OF AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

C. W. Stirling & Co

C.W. STIRLING & CO.
Chartered Accountants

for A Phillips

John A. Phillips
Director

Dated at Melbourne, this 13th day of October 2020

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Revenue	2	1,377,387	2,138,496
Ethiopian project expense	3	(705,443)	(768,584)
Depreciation and amortisation	3	(7,561)	(3,559)
Employee benefits expense		(238,317)	(228,784)
Fundraising and promotion expense		(541,797)	(638,895)
Administration & other expense		<u>(62,011)</u>	<u>(75,241)</u>
Current year surplus/(deficit) before income tax		(177,742)	423,433
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net current year surplus/(deficit)		<u><u>(177,742)</u></u>	<u><u>423,433</u></u>
Other comprehensive income/(loss) after income tax:			
Other comprehensive income/(loss) for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u><u>(177,742)</u></u>	<u><u>423,433</u></u>
Total comprehensive income/(loss) attributable to trustees of the entity		<u><u>(177,742)</u></u>	<u><u>423,433</u></u>

The accompanying notes for part of these financial statements

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	847,606	1,095,266
Trade and other receivables	5	28,373	23,502
Other current assets	6	<u>458</u>	<u>426</u>
TOTAL CURRENT ASSETS		<u>876,437</u>	<u>1,119,194</u>
NON-CURRENT ASSETS			
Plant & Equipment	7	642	2,042
Intangible assets	8	<u>67,782</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>68,424</u>	<u>2,042</u>
TOTAL ASSETS		<u>944,861</u>	<u>1,121,236</u>
CURRENT LIABILITIES			
Trade and other payables	9	26,702	27,660
Provisions	10	<u>11,836</u>	<u>9,511</u>
TOTAL CURRENT LIABILITIES		<u>38,538</u>	<u>37,171</u>
TOTAL LIABILITIES		<u>38,538</u>	<u>37,171</u>
NET ASSETS		<u>906,323</u>	<u>1,084,065</u>
EQUITY			
Retained surplus		<u>906,323</u>	<u>1,084,065</u>
TOTAL EQUITY		<u>906,323</u>	<u>1,084,065</u>

The accompanying notes for part of these financial statements

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings \$
Balance at 1 July 2018	<u>660,632</u>
Surplus for the year attributable to members	423,433
Total other comprehensive income for the year	<u>-</u>
Balance at 30 June 2019	<u>1,084,065</u>
Deficit for the year attributable to members	(177,742)
Total other comprehensive income for the year	<u>-</u>
Balance at 30 June 2020	<u>906,323</u>

The accompanying notes for part of these financial statements

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donors		1,366,378	2,130,854
Interest received		6,138	10,159
Payments to suppliers		(840,790)	(941,057)
Payments to projects		<u>(705,443)</u>	<u>(768,584)</u>
Net cash generated from operating activities	11	<u>(173,717)</u>	<u>431,372</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for intangible assets		(73,943)	-
Payment for property, plant and equipment		<u>-</u>	<u>(2,801)</u>
Net cash generated from investing activities		<u>(73,943)</u>	<u>(2,801)</u>
Net increase/(decrease) in cash held		(247,660)	428,571
Cash and cash equivalents at beginning of the financial year		<u>1,095,266</u>	<u>666,695</u>
Cash and cash equivalents at end of the financial year	4	<u><u>847,606</u></u>	<u><u>1,095,266</u></u>

The accompanying notes for part of these financial statements

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation as an individual entity, incorporated and domiciled in Australia. Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation is a not for profits entity and a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 13 October 2020 by the directors of the company.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Revenue

The Entity has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) from the mandatory adoption date of 1 July 2019. AASB 15 and AASB 1058 had no material impact on the current and comparative year figures.

Operating Grants, donations and bequests

When the Entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue (continued)

Interest income

Interest income is recognised using the effective interest rate method.

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

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Impairment

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

(f) Employee Provisions

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries and annual leave are recognised as a part of accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Employee Provisions (continued)

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(g) Intangible assets

Costs that are directly attributable to the implementation of a new supporter engagement database are recognised as an intangible asset and upon commissioning of the new database will be amortised to the Statement of Profit or Loss and Other Comprehensive Income over a period of three years.

(h) Trade and Other Receivables

Trade and other receivables include amounts agreed by the donor to donate during the year but not received by the end of reporting period. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(i) Trade Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the trustee 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 the recognition of the liability.

(j) Partner Payments

Partner payments are recognised as and when the payments are made as per the agreement with the partners.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Critical Accounting Estimates and Judgments

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

Key Estimates

(a) Impairments

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(l) Critical Accounting Estimates and Judgments (continued)

Key Judgements

(a) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

(b) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(m) New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 15 and 1058

AASB 15: Revenue from Contracts with Customers and *AASB 1058: Income of Not-for-Profit Entities* had no material impact on the current and comparative year figures.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The directors anticipate that adoption of the new and amended Accounting Standards may have an impact on the Company's financial statements, however it is impracticable at this stage to provide a reasonable estimate of such impact.

	Note	2020	2019
		\$	\$
NOTE 2: REVENUE AND OTHER INCOME			
Revenue			
- Donations		1,177,357	1,173,309
- Bequest		-	778,087
- Related party donations		140,847	173,341
- Grants		<u>1,000</u>	<u>-</u>
		<u>1,319,204</u>	<u>2,124,737</u>
Other revenue			
- Interest received		6,138	10,159
- Discount received		-	3,600
- Covid-19 government assistance		<u>52,000</u>	<u>-</u>
		<u>58,183</u>	<u>13,759</u>
Total Revenue		<u><u>1,377,387</u></u>	<u><u>2,138,496</u></u>

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
NOTE 3: PROFIT / (LOSS) FOR THE YEAR			
(a) Expenses			
Depreciation and amortisation			
- Computer and peripherals		1,400	3,559
- Supporter engagement database		<u>6,161</u>	<u>-</u>
		<u>7,561</u>	<u>-</u>
Audit fees		<u>3,700</u>	<u>3,700</u>
Project expenses			
- JeCCDO		170,000	100,000
- WAHA International		-	87,896
- Dignity Period		45,000	-
- APDA		178,937	279,939
- AWSAD		-	70,200
- Healing Hands of Joy		130,000	221,465
- Monitoring & Evaluation		7,506	9,084
- Yenege Tesfa		149,000	-
- Hospice Ethiopia		<u>25,000</u>	<u>-</u>
		<u>705,443</u>	<u>768,584</u>
NOTE 4: CASH AND CASH EQUIVALENTS			
Cash at bank		<u>847,606</u>	<u>1,095,266</u>
NOTE 5: TRADE AND OTHER RECEIVABLES			
JobKeeper and cashflow boost receivable		14,000	-
GST refundable		<u>14,373</u>	<u>23,502</u>
		<u>28,373</u>	<u>23,502</u>
NOTE 6: OTHER ASSETS			
CURRENT			
Prepayments		<u>458</u>	<u>426</u>
NOTE 7: PLANT & EQUIPMENT			
Computer and peripherals		8,401	8,401
Accumulated Depreciation		<u>(7,759)</u>	<u>(6,359)</u>
		<u>642</u>	<u>2,042</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: PLANT & EQUIPMENT (continued)

Movements in Carrying Amounts

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

		Computer and peripherals
2020		
Balance at the beginning of the year		2,042
Additions at cost		-
Depreciation expense		<u>(1,400)</u>
Carrying amount at end of the year		<u>642</u>

Note	2020	2019
	\$	\$

NOTE 8: INTANGIBLE ASSETS

Supporter engagement database	73,943	-
Accumulated Depreciation	<u>(6,161)</u>	<u>-</u>
	<u>67,782</u>	<u>-</u>

Supporter
engagement
database

2020		
Balance at the beginning of the year		-
Additions at cost		73,943
Depreciation expense		<u>(6,161)</u>
Carrying amount at end of the year		<u>67,872</u>

NOTE 9: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	8,450	8,900
Accruals	5,500	5,500
Superannuation liability	4,856	5,316
PAYG payable	<u>7,896</u>	<u>7,944</u>
	<u>26,702</u>	<u>27,660</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
NOTE 10: PROVISIONS			
CURRENT			
Provision for employee benefits: annual leave		<u>11,836</u>	<u>9,511</u>
		<u>11,836</u>	<u>9,511</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts are classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet complete the required period of service.

In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been discussed in Note 1(f).

NOTE 11: CASH FLOW INFORMATION

Surplus/(Deficit) after income tax		(177,742)	423,433
Non cash flows			
- Depreciation		7,561	3,559
Change in assets and liabilities			
- (Increase)/decrease in prepayments		(32)	(259)
- (Increase)/decrease in other receivables		(4,871)	2,517
- (Decrease)/increase in other payables		(958)	(1,861)
- (Decrease)/increase in other provisions		<u>2,325</u>	<u>3,983</u>
		<u>(173,717)</u>	<u>431,372</u>

NOTE 12: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

FINANCIAL ASSETS

Financial assets are amortised cost:

- Cash and cash equivalent	4	847,606	1,095,266
- Trade and other receivables	5	<u>28,373</u>	<u>23,502</u>
Total Financial Assets		<u>875,979</u>	<u>1,118,768</u>

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

- Trade and other payables	9	<u>26,702</u>	<u>27,660</u>
Total Financial Liabilities		<u>26,702</u>	<u>27,660</u>

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
ABN 78 821 615 548

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: KEY MANAGEMENT PERSONAL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

The totals of remuneration paid to key management personnel (KPM) of the company during the year are as follows:

Key Management Personal Compensation	<u>103,702</u>	<u>95,124</u>
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NOTE 14: EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year, the Directors have noted that the COVID-19 outbreak continues to cause disruption to the economy. The extent of the impact on the entity, the duration of the outbreak, as well as the effectiveness of government and central bank responses remains unclear at this time. There are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE 15: ENTITY DETAILS

The registered office & principal place of business of the trustee company is:
Ethiopiaid
Level 3 484 St Kilda Road
MELBOURNE VIC 3004

NOTE 16: MEMBERS' 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 \$2 towards meeting any outstanding obligations of the entity. At 30 June 2020, the number of members was 8 (2019: 8).

NOTE 17: DEDUCTIBLE GIFT RECIPIENT STATUS

The Trustee for ETHIOPIAID AUSTRALIA FOUNDATION is endorsed as a Deductible Gift Recipient (DGR). It is covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

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DIRECTORS DECLARATION OF THE TRUSTEE COMPANY

In accordance with a resolution of the directors of the trustee company of Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation, the directors of the trustee company declare that, in the directors of the trustee company's opinion;

1. The financial statements and notes, set out on pages 7 to 17, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the entity; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date.
2. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director

Robert Macdonald - Chairperson



Director

Martin Hoffman – Director

Dated at Melbourne, this 13th day of October 2020

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
ABN 78 821 615 548

INDEPENDENT AUDIT REPORT
TO THE TRUSTEE'S OF
ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation, which comprises the statement of financial position as at 30 June 2020, 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 directors' declaration.

In our opinion, the accompanying financial report of Ethiopiaid Australia Ltd ATF Ethiopiaid Australia Foundation has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

The directors of the trustee company 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* and for such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION
ABN 78 821 615 548

INDEPENDENT AUDIT REPORT
TO THE TRUSTEE'S OF
ETHIOPIAID AUSTRALIA LTD ATF ETHIOPIAID AUSTRALIA FOUNDATION

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

C.W. Stirling & Co

C.W. STIRLING & CO.
Chartered Accountants

for A Phillips

John A. Phillips
Director

Dated at Melbourne, this 13th day of October 2020