



The International Nepal Fellowship [Australia] Limited

ABN 75 090 528 500

General Purpose Financial Report 30 June 2019

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DIRECTORS' REPORT

The Directors of the International Nepal Fellowship (Australia) Ltd (hereafter referred to as INF Australia) present their report made in accordance with a resolution of the Directors with respect to the year ended 30 June 2019.

1. Principal Activities

The principal activity of INF Australia during the last year was to work with INF Nepal and other partner organisations to serve poor and disadvantaged people and communities in Nepal. This was done through raising awareness of the situation in Nepal and encouraging prayer for Nepali people; raising funds to support projects addressing their needs, and enabling Australian volunteers to serve in Nepal.

2. Financial Results and Review of Operations

Our accounts for the 2019 financial year show a deficit of -\$83,257 (2018: \$107,526), while expenditure directly related to our work in Nepal totaled \$1,402,252 (2018: \$1,636,963).

Over the last year, INF Australia has incurred some transition costs – as Phil Morris transitioned from CEO in late 2018/early 2019 including a three month overlap with incoming CEO, Ben Thurley. INF Australia income has shown a continued trend downwards to a historical norm since 2015, when urgent and generous responses to the major earthquakes of that year led to significant surge in income.

Program expenditure in Nepal has remained relatively steady, while adoption of new communication, community engagement and fundraising strategies in Australia has meant an increase in domestic expenditure. As these strategies take time to develop and bear fruit, we will strive to be transparent and accountable in reporting on our plans and progress in these areas.

Project funding and capacity development

INF Australia continues to invest in our vision of "life in all its fullness for Nepal's poor and marginalised people and communities". INF's community programs in Jumla and Kapilvastu reached into new rural areas which are characterised by extreme poverty and disadvantage. These programs aim to empower women and support improvements for the whole community in health, livelihoods, education and people's resilience in the face of disasters and climate change. Disability inclusion is a significant focus of all our work – both in the community programs and in the medical/clinical programs we support. We supported community based rehabilitation programs in three districts in Western Nepal and continue to fund the operating costs of INF's Green Pastures Hospital and Rehabilitation Centre in Pokhara.

As well as direct project support, we work to strengthen the capacity of our partners in Nepal and to ensure the ongoing sustainability of the work we contribute to. By funding key technical roles, such as gender officer. In 2018-19, INF Australia also made a substantial contribution to the costs of INF's organisational change process and to the development of more responsive data-gathering for monitoring and evaluation to improve program quality. Our support for smaller partners around Nepalgunj – serving poor communities and advocating within the hospital system for patients from poor and disadvantaged backgrounds

– is facilitated by direct project contributions and also through our funding of a local support officer and training.

We are grateful to many generous donors who contribute also to the construction of Green Pastures Pastoral Care Centre [Multi-Function Learning Centre] which will be inaugurated in the coming financial year and which will serve as a training and development centre for staff, as well as a site for holistic care of patients and staff to minister to their physical, emotional and spiritual wellbeing.

Volunteer services

As well as sending funds to support partner organisations, INF Australia enables Australian volunteers to serve in Nepal, using their professional skills, gifts and experience to support the work of partner organisations. INF has supported five individuals, couples or families serving in Nepal as teachers, leprosy and public health specialists, and in financial and accounting support.

We have sought to recognise to the value of non-financial contribution of these volunteers in our accounts, comparing what they might earn in Australia to the volunteer allowances they receive in Nepal. Our aim is always to strengthen local organisations, leadership and capacity, and we expect that the growing number of Nepali professionals in all areas will mean, over time, that there is less need for expatriates. However, these roles represent a considerable commitment on the part of the volunteers and real value for money for technical advice, support and training

INF Family. The INF family of organisations comprises INF Nepal (a Nepali NGO implementing health and development projects), with support coming from INF organisations in the UK, New Zealand, USA and Canada as well as Australia, and INF International, whose role is to support and coordinate the rest of the family, focused on the recruitment of expatriate volunteers, and the flow of funds for INF Nepal.

INF Nepal has undertaken a significant organisational review and change process over the last financial year. Although aspects of this change process are still ongoing, new staff and systems already in place give us confidence that these changes will lead to INF Nepal being even more efficient and effective.

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

DIRECTORS' REPORT *(continued)*

3. Objectives and Strategies

The company's short term objectives are to:

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

The company's long term objectives are to:

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

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

- Raised funds from individuals and organisations around Australia to support projects in Nepal;
- Attended and implemented community events and conferences to share about INF's work;
- Started new initiatives to engage with new and younger supporters;
- Reached out to the Nepali community in Australia; and
- Strengthened its governance, risk and strategic frameworks, including building the capacity of its Board and staff, developing new strategies for community engagement, and more rigorous assessment of the projects we support in Nepal.

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

DIRECTORS' REPORT *(continued)*

4. Likely Developments

INF Australia is required to seek reaccreditation with the Department of Foreign Affairs and Trade (DFAT) in 2021. Currently, we are accredited at "base" level, which both allows us to receive a relatively modest level of annual funding from the Commonwealth Government (\$150,000) and requires us to demonstrate a certain level of governance, accountability and effectiveness. In the coming year, INF Australia intends to seek "full" accreditation with DFAT, which will increase the funding available from the Commonwealth and will require development and strengthening of our policy and government frameworks and our partnership practices in a range of areas.

5. Director's Benefits

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

6. Director's Indemnity Insurance

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

7. Director's Details

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

Ravi Underwood (Chair)	Accountant, joined the Board on 8 October 2018, appointed Chairman on 1 April 2019 (4)
Richard Groves	Risk Management Consultant, Director for 7 years; (5). Resigned as Chair on 1 April 2019.
Rudra Paudel	Business Owner, Director for 4 years (2)
Upendra Singh	IT Administrator, Director for 8 years (5). Resigned 10 November 2018 (2)
Matthew Johnson	Accountant, Treasurer, Director for 4 years (4)
Kerrie Worboys	Retired Pharmacist and INF worker, Director for 4 years (5)
William Hood	IT professional, Director for 2.5 years (5)
Catherine Clark	Medical doctor, Director for 2.5 years. (4)
Nicole McGuinnle	Environmental Geologist, Director for 2 years (5)

Richard Reeve

Endorsed minister, accountant, joined the Board on 10 November 2018 (3)

There were a total of **five (5)** Directors meetings held during the financial year.

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD DIRECTORS' REPORT *(continued)*

8. Company Limited by Guarantee

The company is incorporated under the Corporations Act 1991 and is a company limited by guarantee. If the company is wound up, the constitution states that each Member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. As at 30 June 2019, there were 105 members and therefore the total amount that Members of the company are liable to contribute if the company is wound up is \$1,050.

9. Auditors Independence Declaration

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

On behalf of the Board,



Ravi Underwood
Chair of the Board

Chatswood
16/09/2019

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2019

		2019			2018		
		General Support	Designated Support	Total	General Support	Designated Support	Total
Revenue							
Donations and Gifts:							
Monetary		120,572	959,673	1,080,245	128,059	1,074,468	1,202,527
Non-Monetary	10	11,368	371,450	382,818	66,722	326,450	393,172
				-			-
Bequests and Legacies		42,243	-	42,243	200,000	100,000	300,000
				-			-
Grants:				-			-
Department of Foreign Affairs and Trade		26,000	124,000	150,000	26,000	124,000	150,000
Other Australian Grants	12	100,000	50,000	150,000	-	100,000	100,000
				-			-
Interest Income		1,045	5,716	6,761	5,083	17,166	22,249
Project Management Fees		38,543	-	38,543	42,056	-	42,056
Volunteer Program Contributions		35,846	-	35,846	41,842	-	41,842
Other Income		2,848	-	2,848	2,371	-	2,371
		\$378,465	\$1,510,839	\$1,889,304	\$512,133	\$1,742,084	\$2,254,217

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2019

		2019			2018		
		General Support	Designated Support	Total	General Support	Designated Support	Total
Expenditure							
International Programs							
- funds to development programs		-	892,049	892,049	-	1,057,308	1,057,308
- funds to welfare and service programs		-	484,802	484,802	-	554,060	554,060
- program support costs		146,084	-	146,084	105,095	-	105,095
		146,084	1,376,851	1,522,935	105,095	1,611,368	1,716,463
Community Education	11	50,653	-	50,653	46,631	-	46,631
Fundraising Costs – public		46,909	-	46,909	38,913	-	38,913
Fundraising Costs – government		6,734	-	6,734	4,068	-	4,068
Accountability and Administration		148,895	-	148,895	103,609	-	103,609
Non-Monetary Expenditure	10	11,368	371,450	382,818	66,722	326,450	393,172
Total International Aid and Development Programs Expenditure		410,643	1,748,301	2,158,944	365,038	1,937,818	2,302,856
Domestic Programs Expenditure		51,080	25,401	76,481	39,569	25,595	65,164
Total Expenditure		\$461,723	\$1,773,702	\$2,235,425	\$404,607	\$1,963,413	\$2,368,020
Excess of revenue over expenditure		(\$83,258)	(\$262,863)	(\$346,121)	\$107,526	(\$221,329)	(\$113,803)
Other Comprehensive income		-	-	-	-	-	-
Total Comprehensive Income for the Year		(\$83,258)	(\$262,863)	(\$346,121)	\$107,526	(\$221,329)	(\$113,803)

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 June 2019

	General Fund	Designated Funds	Total Equity
Balance at 30 June 2017	\$422,662	\$858,886	\$1,281,548
Comprehensive Income			
Excess of expenses over revenue	107,526	(221,329)	(113,803)
Other amounts transferred to/(from) reserves			
Balance at 30 June 2018	\$530,188	\$637,557	\$1,167,745
Balance at 30 June 2018	\$530,188	\$637,557	\$1,167,745
Comprehensive Income			
Excess of expenses over revenue	(83,257)	(262,863)	(346,120)
Other amounts transferred to/(from) reserves	(94,117)	94,117	-
Balance at 30 June 2019	\$352,814	\$468,811	\$821,625

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

STATEMENT OF FINANCIAL POSITION AS AT 30 June 2019

		2019	2018
Current Assets			
Cash and Cash Equivalents	3	850,496	1,202,974
Trade and Other Receivables		14,405	9,891
Inventories		1,698	246
Other Financial Assets	5	-	297
Other Current Assets		37,014	1,475
Total Current Assets		\$903,613	\$1,214,883
Non-Current Assets			
Property, Plant and Equipment	9	201	2,316
Total Non-Current Assets		\$201	\$2,316
Total Assets		\$903,814	\$1,217,199
Current Liabilities			
Trade and Other Payables	7	20,519	21,465
Current Tax Liabilities	8	6,441	4,942
Current Provisions	6	32,735	8,245
Total Current Liabilities		\$59,695	\$34,652
Non-Current Provisions	6	22,494	14,802
Total Non-Current Liabilities		\$22,494	\$14,802
Total Liabilities		\$82,189	\$49,453
Net Assets		\$821,625	\$1,167,745
Accumulated Funds and Reserves			
General Fund		352,814	530,188
Designated funds		468,811	637,557
Total Funds		\$821,625	\$1,167,745

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

STATEMENT OF CASH FLOWS AS AT 30 June 2019

	Notes	2019	2018
Cash flows from operating activities:			
Receipts from supporters		1,210,630	1,800,307
Receipts from DFAT		150,000	150,000
Interest received		6,760	22,248
		1,367,390	1,972,555
Payments to suppliers and employees		(473,429)	(441,486)
Payments for designated projects		(1,246,439)	(1,457,900)
		(1,719,868)	(1,899,386)
Net cash flow (used in) / provided by activities	4	(352,478)	73,169
Net cash increase/(decrease) for the year		(352,478)	73,169
Cash at the beginning of the year		1,202,974	1,129,805
Cash at the end of the year		\$850,496	\$1,202,974

The above statement should be read in conjunction with the accompanying notes.

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

FUNDRAISING RATIOS AS AT 30 June 2019

The following information is disclosed in accordance with the NSW Charitable Fundraising Act. Charitable fundraising license number 17644, expiry 6/12/2019.

	2019		2018	
	\$		\$	
Total Costs of Fundraising	<u>53,644</u>	4%	<u>42,982</u>	3%
Gross Income from Fundraising	1,196,878		1,586,425	
<i>* Of what comes in from public donated sources, we spend 3% on fundraising.</i>				
Net Surplus from Fundraising	<u>1,143,234</u>	96%	<u>1,543,443</u>	97%
Gross Income from Fundraising	1,196,878		1,586,425	
<i>* Of all donations received from the public, we use 97% in serving the people of Nepal.</i>				
Total Cost of Services	<u>2,021,518</u>	90%	<u>2,154,707</u>	91%
Total Expenditure	2,235,425		2,368,019	
<i>* 91% of all costs are directly incurred in aiding Nepal projects and programmes.</i>				
Total Cost of Services	<u>2,021,518</u>	107%	<u>2,154,707</u>	96%
Total Income Received	1,889,304		2,254,616	
<i>* 100% of all income received are directly assisting Nepal projects and programmes</i>				

1. Basis of Preparation

1.1 Basis of preparation

The International Nepal Fellowship (Australia) Ltd (the “Company”) is a company limited by guarantee, incorporated and domiciled in Australia. The registered office of the Company is 1 View Street, Chatswood, NSW. The Company is a non-for-profit entity serving poor and disadvantaged communities in Nepal. This was done through raising awareness of the situation in Nepal and encouraging prayer for Nepali people; raising funds to support projects addressing their needs, and enabling Australian volunteers to serve in Nepal.

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

These financial statements are general purpose financial statements that have been prepared in Accordance with Australian Accounting Standards – Reduced Disclosure Requirements, ACFID Code of Conduct and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

1.2 Functional and presentation currency

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

2. Significant Accounting Policies

2.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

2.2 New accounting standards applicable for future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards that have future implementation dates but allow for early adoption. The Company has not chosen to adopt the following standards early:

AASB 16 Leases (applicable 1 January 2019)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Donations and fundraising
The Company recognises amounts donated or raised on behalf of the Company as income only when they are received by the Company.
- ii) Grants
Grant revenue is recognised in the statement of income and expense when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.
- iii) Interest
Interest is recognised when received/receivable.

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

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and term deposits.

2.5 Property, Plant and Equipment

Property, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment from the time the asset is ready for use. The following useful lives are applied:

Office equipment	3-5 years
Furniture and fittings:	3-5 years
IT Hardware:	3-5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

2.6 Employee benefits

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

The current proportion 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, INF Australia does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled wholly within the next 12 months. However, these amounts must be classified as current liabilities since INF Australia 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 completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits is discussed in the notes below.

i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Annual Leave

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that INF Australia expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as INF Australia does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

iii. Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

iv. Superannuation

INF Australia provides post-employment benefits contribution to the employees' preferred superannuation funds.

2.7 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. The new standard makes potentially major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There has been no significant impact arising from the adoption of the new standard.

2.8 Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses -the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Entity's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.9 Goods and Services (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 balance sheet 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.

2.10 Income Tax

The company has been endorsed by the Australian Taxation Office as an income tax exempt charitable entity under Sub Division 50-B of the Income Tax Assessment Act 1997. It is registered as a Charity with the Australian Charities and Not for Profits Commission. The company is also registered with the Australian Taxation Office as a Public Benevolent Institution and was endorsed as a deductible gift recipient from 12 February 2016.

2.11 Reserves

Reserves include: bequest and memorial funds which are administered according to the donors' request within the scope of INF programs; donations given for designated purposes which will be acquitted in future years; and donations given to INF's general fund which have not yet been acquitted. In 2017, the INF Australia Board introduced a Reserves Policy to define its minimum targeted level of reserves and how excess reserves should be used.

2.12 Significant management judgment in applying accounting policies

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or

cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

2.13 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its financial obligations as and when they fall due.

3. Cash and Cash Equivalents

The cash and cash equivalents amount in the balance sheet is represented by:

	2019	2018
Cash at bank	387,635	432,998
Cash on short term investments	462,861	769,976
Total Cash and Cash Equivalents	\$850,496	\$1,202,974

4 Reconciliation of Cash Flows from Operating Activities

	2019	2018
Surplus /(deficit) from ordinary activities	(346,121)	(113,803)
Change in Operating Assets & Liabilities:		
Decrease/(increase) in inventories	(1,452)	2,109
(Increase)/decrease in other financial assets	(36,717)	163,064
Decrease/(increase) in non-current assets	2,115	502
Decrease/(increase) in other assets	1,475	-
Decrease/(increase) in Trade and Other Receivables	(4,514)	(2,410)
Increase/(decrease) in payables	(946)	15,765
Increase/(decrease) in current tax liabilities	1,499	828
(Decrease)/increase in other current liabilities	24,490	3,698
(Decrease)/increase in non-current liabilities	7,693	3,416
Increase/(decrease) in retained earnings (opening balance adjustments)		
Net Cash from/(Used In) Operating Activities	(\$352,478)	\$73,169

5. Provisions

Provision amounts in the balance sheet are represented by:

	2019	2018
<i>Current</i>		
Annual leave	32,735	8,245
Long service leave	-	-
	\$32,735	\$8,245
	2019	2018
<i>Non-current</i>		
Long Service leave	22,494	14,802
Total Provisions	\$55,229	\$23,047

6. Trade and other payables

Trade and other payables amount in the balance sheet is represented by:

	2019	2018
Accounts payable	8,862	11,344
Other short term liabilities	-	572
Employment liabilities	11,657	9,549
Total Trade and other payables	20,519	21,465

7. Tax liabilities

Tax liabilities in the balance sheet is represented by:

	2019	2018
GST paid/collected	(605)	12
PAYG withheld	7,046	4,930
Total Tax Liabilities	6,441	4,942

8. Property, plant and equipment

Property, plant and equipment movements during the year were as follows:

	WDV* at 1/07/2018	Additions/Transfers	Disposals/Write- offs	Depreciation	WDV at 30/06/2019
Computer hardware	2,316	-	-	(2,115)	201
	2,316	-	-	(2,115)	201

*WDV = written down value

9. Non-monetary gifts and donations

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

During the year ended 30 June 2019, 140 volunteer hours were provided to INF Australia at a commercial value of \$11,368.

This year, INF Australia has sought to demonstrate the value of the non-financial contribution provided by INF Australia's volunteers in Nepal who serve in technical advisory and training roles. This has been calculated by comparing an estimate of their earning power in Australia to the volunteer allowance they receive in Nepal, and is summarised in the table below. We have re-stated our non-financial income and expenditure from 2017 to reflect this volunteer contribution.

	2019	2018
Non-financial contribution in Australia	\$11,368	\$66,722
Non-financial contribution in Nepal	\$371,450	\$326,450
Total	\$382,818	\$393,172

10. Community Education

Community education expenditures includes all costs related to informing and educating the Australian community of, and inviting their active involvement in global justice, development and humanitarian issues. This includes the costs of research, producing and distributing materials, the cost of conducting educational campaigns and the cost of personnel involved in these activities.

11. Other Australian Grants

A corporate grant of \$150,000 was received in the financial year ended 30 June 2019 as a general grant to the INF Australia Relief Fund and to the work of Philip Morris in his capacity as INF Nepal's Country Director.

12. Members Guarantee

The Company is incorporated as a company limited by guarantee whereby the liability of each Member is limited and shall not exceed \$10 in the event of the company being wound up.

13. Contingencies

The Board is not aware of any contingent assets or contingent liabilities.

14. Auditor's Remuneration

Auditor's remuneration for the year ending 30 June 2019 was \$1,200 (2018: \$1,200). The audit report is prepared by Lawrence Green of Shedden & Green – Accountants and Advisors.

15. Deductible Gift Recipient Status

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

16. Contingent liabilities

There have been no contingent liabilities incurred by the Company for the years 2019 and 2018.

17. Post reporting date events

The Directors are not aware of any significant events since the end of the reporting period.

18. Key Management Personnel Compensation & Other Related Party Transactions

Key Management Personnel received remuneration of \$197,484 from INF Australia.

INF Australia engaged in no transactions with other related parties.

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THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

FOR THE YEAR ENDED 30 JUNE 2019

DESIGNATED SUPPORT	Available at start of year	Raised during year	Disbursed during year	Available at end of year
	\$	\$	\$	\$
Domestic projects	17,677	17,703	(25,400)	9,980
Development				
Community Health and Development	323,149	317,795	(622,795)	18,149
Disaster Relief	16,507	3,100	(404)	19,203
Volunteers	69,467	69,321	(75,012)	63,776
Service				
Healthcare	9,791	12,061	(11,429)	10,423
Disaster Relief	-	-	-	-
Other projects	5,105	6,695	(11,364)	436
Volunteers	109,265	37,345	(138,643)	7,967
Welfare				
Healthcare	50,532	185,191	(176,331)	59,392
Other Projects	-	1,503	(383)	1,120
Volunteers	66,758	197,752	(147,381)	117,129
Total Designated Support	668,251	848,466	(1,209,142)	307,575
Memorial Fund	77,548	3,029	-	80,574
Development Fund	79,059	3,471	-	82,530
General Funds	378,116	512,425	(510,724)	379,817
CASH TOTAL	1,202,974	1,367,391	(1,719,866)	850,496

THE INTERNATIONAL NEPAL FELLOWSHIP (AUSTRALIA) LTD

DIRECTORS' DECLARATION

In the opinion of the Directors of The International Nepal Fellowship (Australia) Ltd, the financial statements and notes are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including the following:

- i) Giving a true and fair view of the financial position as at 30 June 2019 and of its performance for the financial year ended on that date.
- ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations); and the Australian Charities and Not-for-Profits Commission Regulation 2013.
- iii) There are reasonable grounds to believe that The International Nepal Fellowship (Australia) Ltd will be able to pay its debts as and when they become due and payable.
- iv) The provisions of the Charitable Fundraising Act 1991 and the conditions attached to the Authority to Fundraise have been complied with.
- v) Internal Controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

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

On behalf of the board



Ravi Underwood
Chair of the Board

Chatswood
16/09/2019



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

18 September 2019

The Board of Directors
International Nepal Fellowship (Australia) Ltd
PO Box 5400
CHATSWOOD NSW 1515

Independence of the Auditors

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

Lawrence R Green FCA

Phone: (02) 9540 1944

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Email: sheddenandgreen@bigpond.com

Liability limited by a scheme approved under Professional Standards Legislation



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

INDEPENDENT AUDIT REPORT

Report on the Audit of the Financial Report

Opinion

In our opinion, the financial report of International Nepal Fellowship (Australia) Ltd:

- (1) has been prepared in accordance with Division 60 of the Australian Charities and Not For Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30th June 2019 and of its financial performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the Australian Charities and Not For Profits Commission Regulation 2013.
- (2) The financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations.
- (3) Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Basis for opinion

We conducted the 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Responsibility of Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act, the requirements of ACFID and the Company's Constitution and the needs of the members. The responsible entities'

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responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity'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 responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

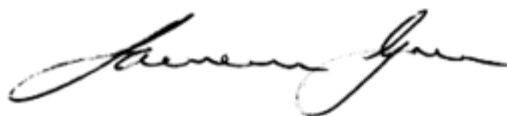
The audit objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 the financial report. As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the registered entity 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 those charged with governance 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 the audit.

Shedden and Green Partners
Lawrence R Green FCA – Partner



16 September 2019



INF Australia is accredited with the Department of Foreign Affairs and Trade (DFAT) and receives funds from the Australian government.



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

The International Nepal Fellowship (Australia) Limited is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct.

The Code requires members to meet high standards of corporate governance, public accountability and financial management.

ACFID monitors compliance with the Code and offers a mechanism to address concerns relating to signatories' conduct. More information about the ACFID Code of Conduct can be obtained from The International Nepal Fellowship (Australia) Limited or from ACFID at:

www.acfid.asn.au / code@acfid.asn.au / (02) 6285 1816

We aim to be honest and transparent in everything we do. We want to be accountable and welcome feedback on all aspects of what we do. Please use the contact details below to get in touch if you have questions or comments.

If you are not satisfied, INF Australia has a 'Complaints' Policy that defines how complaints or concerns can be raised in confidence, and how INF Australia will respond to them. It can be found on our website: www.inf.org.au



A Christian mission
serving the physical
and spiritual needs
of Nepali people.

INF Australia

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