



Australia for UNHCR
(A company limited by guarantee)
ABN 35 092 843 322

Annual Financial Report
Year ended 31 December 2016

Australia for UNHCR ABN 35 092 843 322
Financial Report – 31 December 2016

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Directors' Report

The directors present their report together with the financial statements of Australia for UNHCR ('the Company') for the year ended 31 December 2016 and the independent auditor's report thereon.

Directors

The directors, at any time during or since the end of the financial year to the date of this report, are:

Name	Qualifications, Experience & Occupation	Director since
Mr John W.H. Denton AO Chairman	BA (Hons), LLB Partner and Chief Executive Officer, Corrs Chambers Westgarth Lawyers	July 2000
Mr Michael Dwyer AM	Dip of Superannuation Management, Advanced Dip of Financial Services (Superannuation), Dip of Public Administration, FASFA Chief Executive, First State Super Trustee Corporation	July 2000
Mr John Boulton AM	BA, LLB (Hons), LLM Member of the Australian Institute of Company Directors Lawyer/Sports Executive	November 2000
Mr Paul Reid	BA (Acctg), Dip of Superannuation Management, CA Member of the Australian Institute of Company Directors	December 2004
Mr Rick Millen	MA, Law Oxford University, UK Member Institute of Chartered Accountants Graduate Member of the Australian Institute of Company Directors Director, Cabcharge Limited Director, Palmera Projects	April 2012
Ms Kate Dundas	BA (Communications) Charles Sturt University Vincent Fairfax Fellow, University of Melbourne Graduate Member of the Australian Institute of Company Directors Non-Executive Director and Chair of Finance, Audit & Risk Committee, Australian Film, Television and Radio School Executive Coach and Mentor Project Consultant working in the cultural sector	September 2015

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

Directors' report (continued)

Director's meetings

The number of directors' meetings attended by each of the directors of the Company:

Director	Number eligible	Number attended
Mr John W.H. Denton AO	6	4
Mr Michael Dwyer AM	6	5
Mr John Boulton AM	6	5
Mr Paul Reid	6	6
Mr Rick Millen	6	6
Ms Kate Dundas	6	6

In addition, individual directors participated in the following Sub Committees;

Finance Sub-Committee

Director	Number eligible	Number attended
Mr Michael Dwyer AM	5	3
Mr John Boulton AM	5	4
Mr Paul Reid	5	4

Company Secretary

The Company Secretary, at any time during or since the end of the financial year, is:

Name	Qualifications, Experience & Occupation	Company Secretary since
Ms Naomi Steer	BA (Hons), LLB National Director (Resigned 4 July 2016) (Reappointed 21 March 2017)	July 2000
Mr Peter Bermingham	BCom, MPAcc, MCom Member Certified Practising Accountants Chief Operating Officer (Resigned 17 February 2017)	June 2016

Directors' report (continued)

Principal Activities

The principal activity of the Company during the financial year was to raise funds from the private sector to support UNHCR's international humanitarian operations.

Short-term and Long-term Objectives

The Company's short term objectives are to:

- Continue growth of both the donor base and income base;
- Maximise fundraising income from all channels;
- Promote retention and long term value of donors;
- Enhance the Company's visibility and public awareness about UNHCR's humanitarian work; and
- Expand operational resources to support growth.

The Company's long term objectives are to:

- Expand and diversify income base through building brand awareness and greater visibility of Australia for UNHCR; and
- Be recognised as one of the leading international aid organisations in Australia and globally supporting UNHCR.

Strategies

To achieve its stated objectives the Company has adopted the following strategies:

- Building a sustainable income base;
- Enhancing visibility and public awareness; and
- Improving operational and governance support.

These strategies are discussed further in the review and result of operations section below.

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative measures that are compared against benchmarks set annually.

	2016		2015	
	Actual	Target	Actual	Target
Fundraising income (000's)	\$33,948	\$33,178	\$32,787	\$28,836
National Growth Fund (000's)	\$9,023	\$10,364	\$8,986	\$8,991
New regular donors	12,922	14,605	20,166	27,137
New cash donors	15,149	20,162	16,481	9,284
Total donors	84,283	88,048	88,457	80,773
Transfer to UNHCR as a percentage of fundraising income	82.1%	79.5%	85.8%	76.3%

Directors' report (continued)

Review and result of operations

The operating surplus amounted to \$184,589 (2015 deficit: \$791,852). The current funds available for future use amounts to \$3.0 million. Of this amount, \$2.5 million is in Reserves. Having taken consideration the company's requirements and reviewing the sufficiency of the Reserve, the Reserve remains unchanged at \$2.5 million.

OVERVIEW

In 2016 the Company continued to grow its income and expand its donor base through a range of fundraising channels and initiatives. A number of significant staff appointments were made as part of the strengthening of the senior management team. During the year, Directors and staff had the opportunity to travel on several field missions seeing first-hand the difference Australia for UNHCR support makes.

The Company raised \$33.9 million (2014: \$32.8 million) over the year. This result represents growth of 3.5% on 2015 income. The Company acquired 28,071 new donors resulting in a total of 84,283 active donors (54,806 regular donors and 29,477 cash donors).

During the year, the Company continued its focus on generating income through regular giving, diversifying income channels (via Face-to-Face, DRTV, direct mail, telemarketing, middle donors, high net worth individuals, digital and community fundraising). Donor loyalty continues to be a key objective, with a focus on donor stewardship and retention.

The Company also undertook a diverse range of public engagement activities through media, presentations and events. In a year in which global displacement achieved record levels, the Company implemented a number of emergency campaigns including for Syria, Iraq and the earthquake in Ecuador raising over \$4 million for specifically earmarked emergencies and nearly \$21 million for broadly field operations. The Company has continued its campaign to raise funds for sexual and gender based violence (SGBV) programs in the Democratic Republic of Congo and in 2016 saw the completion of the Company's \$2.5 million commitment towards the project. In addition, the Company also supported a nutrition and livelihoods project in Burkino Faso and a water, sanitation and hygiene project in Ethiopia.

The Company's significant growth has been assisted by funding support (National Growth Fund) from UNHCR and further expansion is reliant on this support.

MEDIA AND PUBLIC AWARENESS ACTIVITIES

The Company continued its public awareness and education activities with the support of its Board, staff and Special Representatives and other high profile supporters. Events with donors and supporters included briefings, presentations and fundraising events.

Actor Kristin Davis's mission to Australia in February generated significant online and broadcast coverage about UNHCR's work in the prevention and treatment of sexual and gender based violence (SGBV) and helped launch the "I Will" Digital campaign supporting refugee women. The actor also was a key note speaker at a fundraising event raising \$42k and the launch of the LGBTIQ Queer Thinking series in Sydney. Together with National Director Naomi Steer, Ms. Davis also met with then Minister for Women Michaelia Cash to talk about the Company's work supporting women refugees.

Special Representative Carina Hoang led a Vietnamese diaspora initiative that raised \$500k with fundraising initiatives in Sydney, Melbourne, Brisbane, Adelaide and Perth generating coverage in national television and radio news, as well as positive coverage in Vietnamese community's media.

Directors' report (continued)

In October 2016, the Company hosted a mission by photo journalist Thomas Mukoya who undertook donor briefings in Sydney, Perth and Melbourne. In addition Australia for UNHCR hosted in Sydney a photo exhibition of his work in refugee camps.

The Company also hosted a mission by UNHCR PSP Emergency Coordinator Joung–Ah Ghedini-Williams who was the key note speaker at a number of donor briefings and major donor events.

The Company continued its regular communications to donors and supporters through social media, email newsletters and e-alerts. Social media continued to grow, with a community of over 248,000 supporters across various platforms. The Christmas Shelter appeal created over 30 million impressions, while emergency communications around the humanitarian crisis in Mosul, Iraq secured national television, radio and online support. World Refugee Day media included ABC Radio National, Huffington Post and Marie Claire, and a Father's Day photo feature with Mashable elicited more than 2,100 shares.

The Program Committee, chaired by Michael Dwyer, supported the annual World Refugee Day Breakfast. The event was hosted by ABC journalist, Ellen Fanning, and speakers included business leader, Tony Shepherd AO; Australian Human Rights Commission President, Prof. Gillian Triggs; and Syrian refugee, Maxeem Georges. It was the 10th anniversary for sponsorship for the event from Colonial First State Global Asset Management.

As part of its community engagement five supporters trekked the Lares trail in Peru to raise money for UNHCR's emergency response fund.

FIELD MISSIONS

The Company's Chair John Denton and Director Michael Dwyer joined a number of Australian corporate leaders in February 2016 on a UNHCR hosted mission to Lebanon and Turkey to see first-hand the situation of Syrian refugees and how Australian business could support refugees overseas and also in Australia. The mission was covered by the Channel 7 Weekend Sunrise program.

In April 2016, the National Director Naomi Steer with video, photography and digital staff visited Kakuma refugee settlement in Kenya to gather material for social media and fundraising content as well as the "I Will" Campaign.

The Fundraising Manager, Alisa O'Malley, in June 2016 visited UNHCR operations in Myanmar. The UNHCR led mission gathered fundraising materials for core value donors as well as a proposal for major donors and trusts and foundations.

In August 2016, the National Director Naomi Steer, Board member Kate Dundas and long standing supporter Pam Gilbert visited UNHCR operations in Uganda to discuss the funding by Australia for UNHCR of a proposed new vocational center in Kyaka 2 refugee camp. They met with the urban refugee women supported through the livelihood project in Kampala, Uganda.

KEY PEOPLE, STAFF AND OPERATIONS

A number of significant staff appointments were made in the year including a new Deputy Director and Head of Fundraising, and a new Head of Media and Communications.

Staff engagement was encouraged through monthly events where outstanding staff performance was recognised through awards. Internal communications was promoted through a monthly staff e-newsletter. Monthly meetings of F2F interstate Campaign managers were held in Sydney. A staff strategy day around the theme of "I am Strong" was held offsite.

Directors' report (continued)

Staff attended various UNHCR and industry workshops and consultations. The National Director attended two meetings of the newly formed National Partners Standing Group Committee and also two meetings of the UNHCR Partnership Council in Geneva. A key area of discussion was the negotiation of a new partnership agreement expected to be finalised in 2017.

During the year, the Company relocated its Sydney office and entered into a five year office space lease commencing 1 November 2016. The Company moved from its existing premises to larger office space to accommodate its growing staff needs.

Deductible Gift Recipient Status

The Company was granted an 'indefinite' DGR status in June 2013.

Dividends

The Company is prohibited from paying dividends by its Constitution.

Agreement with UNHCR

The Company continues its partnership with UNHCR through a five year Framework Partnership Agreement (executed on 13 January 2014 and effective to 31 December 2018). The Agreement sets out the general terms of the partnership:

- UNHCR supports the Company in its fundraising and awareness raising activities in Australia;
- The Company is UNHCR's principal partner to raise funds from the private sector in Australia; and
- UNHCR may provide financial contributions for fundraising activities to the Company. Such contributions to be agreed upon in an Annual Project Partnership Agreement.

State of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events subsequent to balance date

The Company is currently negotiating the 2017 Annual Project Partnership Agreement with UNHCR. The agreement confirms the financial contributions from UNHCR for fundraising activities for the year.

Likely developments

The Company will continue to focus on acquiring new donors, improving its communications and services to existing donors, enhancing online capacity and delivery, and supporting UNHCR through increased financial support and provision of fundraising expertise.

Directors' report (continued)

Directors' benefits

No director receives any remuneration for services provided to the Company. Further details are set out in Note 16 to the financial statements.

Indemnification and insurance of officers

INDEMNIFICATION

The Company has agreed to indemnify the current directors of the Company and former directors against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving lack of good faith.

INSURANCE PREMIUMS

During the financial year the Company has paid insurance premiums on behalf of the Company in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers.

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

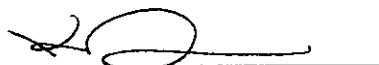
Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration.

A copy of the Auditor's Independence Declaration as required under *the Australian Charities and Not-for-profits Commission Act 2012* is set out on page 8.

Signed in accordance with a resolution of the Directors:



Kate Dundas
Director



Paul Reid
Director

Dated at Sydney this 29 March 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE ENTITIES OF AUSTRALIA FOR UNHCR
ABN 35 092 843 322**

As lead auditor for the audit of Australia for UNHCR for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



C I CHANDRAN
PARTNER

PITCHER PARTNERS
SYDNEY

29 March 2017

Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue			
Donations and gifts - monetary		33,522,358	32,518,304
Grants - overseas related party		9,023,378	8,986,662
Bequest and legacy income		322,660	178,241
Investment income - interest		154,204	170,309
Other income		102,959	90,767
Total revenue		43,125,559	41,944,283
Expenses			
International aid and development programs expenditure:			
International programs:			
Funds to international programs paid		21,025,776	21,493,208
Funds to international programs accrued		6,844,600	6,632,908
Community education		269,833	165,292
Fundraising costs:			
Funded by overseas grant		9,023,378	8,986,662
Public		2,032,559	2,126,387
Accountability and administration		3,744,824	3,331,678
Total expenses		42,940,970	42,736,135
Excess of revenue over expenses / (expenses over revenue)	2	184,589	(791,852)
Other comprehensive income		-	-
Total comprehensive income / (loss)		184,589	(791,852)

For the year ended 31 December 2016, there were no amounts earned or incurred by Australia for UNHCR for the following categories: non-monetary donations and gifts, other Australian grants, revenue from international political or religious adherence promotional programs, international program support costs, non-monetary expenditure, international political or religious adherence promotion programs expenditure and domestic programs expenditure.

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

Statement of Financial Position

As at 31 December 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	3	9,392,349	8,258,018
Financial assets - held-to-maturity investments	4	2,864,059	2,551,363
Receivables	5	343,532	391,056
Prepayments		912,876	656,146
Total current assets		13,512,816	11,856,583
Non-current assets			
Plant and equipment	6	322,312	272,584
Intangible assets	7	125,315	-
Financial assets – security deposits	4	334,269	159,073
Total non-current assets		781,896	431,657
Total assets		14,294,712	12,288,240
Current liabilities			
Payables	8	9,373,291	8,156,156
Lease liabilities		15,727	16,382
Provisions	9	329,459	433,050
Unearned revenue	10	1,434,020	627,826
Total current liabilities		11,152,497	9,233,414
Non-current liabilities			
Lease liabilities		-	15,510
Provisions	9	50,605	132,295
Total non-current liabilities		50,605	147,805
Total liabilities		11,203,102	9,381,219
Net assets		3,091,610	2,907,021
Members' funds			
Retained surplus		541,610	357,021
Reserves		2,550,000	2,550,000
Total members' funds		3,091,610	2,907,021

At the end of the financial year, Australia for UNHCR had no balances in the following categories: inventories, assets held for sale, investment property, other non-current assets, current and non-current borrowings, current tax liabilities, current and non-current financial liabilities, and current and non-current other liabilities.

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

Statement of Changes in Members' Funds

For the year ended 31 December 2016

	Reserves \$	Retained Surplus \$	Total \$
	(Note 1r)		
Funds available for future use at 1 January 2015	2,400,000	1,298,873	3,698,873
Excess of expenses over revenue for the year	-	(791,852)	(791,852)
Transfer to reserves	150,000	(150,000)	-
Funds available for future use at 31 December 2015	2,550,000	357,021	2,907,021
Excess of revenue over expenses for the year	-	184,589	184,589
Funds available for future use at 31 December 2016	2,550,000	541,610	3,091,610

The Statement of Changes in Members' Funds is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Cash receipts of grant		10,236,794	9,426,536
Cash receipts of donations, gifts and bequests		33,845,018	32,696,545
Cash payments to suppliers and employees		(14,672,197)	(17,898,088)
Cash payments to UNHCR for overseas projects		(27,658,684)	(21,493,208)
Interest received		151,806	164,073
Other income		102,959	90,767
Net cash provided by operating activities	15	2,005,696	2,986,625
Cash flows from investing activities			
Payment for plant and equipment		(283,758)	(88,734)
Payment for intangible assets		(99,715)	-
Investment in held to maturity financial assets		(487,892)	(1,006,363)
Net cash used in investing activities		(871,365)	(1,095,097)
Net increase in cash held		1,134,331	1,891,528
Cash at the beginning of the financial year		8,258,018	6,366,490
Cash at the end of the financial year	3	9,392,349	8,258,018

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 13 to 28.

Notes to the Financial Statements

For the year ended 31 December 2016

Note 1 Summary of significant accounting policies

Australia for UNHCR ("the Company") is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 29 March 2017.

(a) Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, *the Australian Charities and Not-for-profits Commission Act 2012*, *the Charitable Fundraising (NSW) Act 1991* and the *Australian Council for International Development Code of Conduct (Section 5)*. A statement of compliance with International Financial Reporting Standards cannot be made due to the organisation applying the not-for-profit sector specific requirements contained in the Australian Accounting Standards.

(b) Basis of preparation

The financial statements are presented in Australian dollars.

The financial statements are prepared on an accruals basis and are based on historical cost, modified, where applicable. They do not take into account changing money values or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements unless otherwise stated.

(c) Revenue recognition

DONATIONS AND FUNDRAISING

Australia for UNHCR is a non-profit organisation and receives a significant amount of funds from donations and appeals.

These amounts by their nature can only be recognised when received. They are banked into a separate bank account which consists only of money received as a result of fundraising in accordance with the *Charitable Fundraising Act (NSW) 1991*.

Note 1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

GRANT INCOME

The Company receives grants from UNHCR. Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. Grant income is not brought to account until such time as it has been received. Where there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the Statement of Financial Position as a liability until such conditions are met or services provided.

INTEREST INCOME

Interest income is recognised when earned.

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

(d) Classification of expenses

Expenses have been classified in accordance with the format specified in the ACFID Code of Conduct for Non Government Development Organisations.

(e) Income tax

The Company has been endorsed as an exempt charitable body for income tax purposes within the provisions of section 50-50 of the *Income Tax Assessment Act 1997*. Accordingly, no income tax expense is required to be recognised.

The Company has been granted 'indefinite' Deductible Gift Recipient (DGR) status under section 30-80 of the *Income Tax Assessment Act 1997*.

(f) Financial instruments

RECOGNITION

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition these instruments are measured as set out below.

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 using the effective interest rate method.

Note 1 Summary of significant accounting policies (continued)

(f) Financial instrument (continued)

HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets.)

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(g) Impairment of assets valued on cost basis

The carrying amounts of all assets valued on the cost basis are reviewed at balance date to determine whether there is any indication of impairment. If any such condition exists, the asset is written down to its estimated recoverable amount. The write-down is recognised as an expense in the net surplus or deficiency in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value.

(h) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation or amortisation. These assets are depreciated using the straight-line method over their useful lives, taking into account their estimated residual values.

Assets are depreciated from the date of acquisition. Depreciation rates and methods are reviewed annually for appropriateness. Depreciation is expensed. The depreciation rates and methods used for each class of asset for the current year, is as follows:

	Depreciation rate	Depreciation method
Leasehold improvements	20%	Straight-line
Office equipment	20 – 40%	Straight-line
Furniture and fittings	10 – 30%	Straight-line

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(i) Intangibles

Intangibles relate to website costs and are stated at cost less accumulated amortisation and impairment losses. This assets is amortised using the straight-line method over its useful life. It has an estimated useful life of four years and is assessed annually for impairment.

Note 1 Summary of significant accounting policies (continued)

(j) Employee benefits

WAGES, SALARIES AND ANNUAL LEAVE

The provision for employees' entitlements to wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on-costs.

PERSONAL LEAVE

Personal leave (sick and carer's leave) is not payable on termination of employment and therefore no liability has been recognised in the accounts.

LONG SERVICE LEAVE

A liability for long service leave is first recognised for an employee after five years of continuous service with the Company and is measured at the present value of the estimated future cash outflows to be made for 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 cash outflows are discounted using Milliman's G100 Discount Rates with terms to maturity that match the expected timing of cash flows.

SUPERANNUATION PLAN

Contributions to employee superannuation funds are charged against expenses when incurred.

(k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting date.

(l) 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.

Note 1 Summary of significant accounting policies (continued)

(m) Remittances to UNHCR

The Company remits a percentage of donations received to UNHCR in accordance with the Annual Project Partnership Agreement.

Contributions due to UNHCR under this agreement, and which have not been remitted at balance date, are calculated and accrued as a liability.

(n) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash as 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.

(o) Goods and Services Tax

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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of the asset or as part of the expense.

Receivables and payables are stated with GST included.

The net amount of GST recoverable from the ATO is included as a current asset in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Comparatives

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

(q) Operating lease payments

Payments under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense; initially as a liability and then amortised on a straight-line basis over the life of the lease term.

(r) Reserves

The Reserves Policy of the Company specifies that the Reserve amount cannot exceed four months of the current year's running costs. The policy seeks to provide sufficient funds to cover expenses in the event the Company is wound down.

Note 1 Summary of significant accounting policies (continued)

(s) Changes in Australian Accounting Standards

ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued, that are applicable in the current period, have had a material effect on the Company.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgement incorporated into the financial report based on historical 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 - IMPAIRMENT

The Directors assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There is no impairment for the year ended 31 December 2016.

KEY JUDGEMENTS – PROVISION FOR IMPAIRMENT OF RECEIVABLES

The Directors believe that the full amount of receivables is recoverable and no provision of impairment of receivables has been made at 31 December 2016.

Note 2 Excess of revenue over expense / (expenses over revenue)

	2016	2015
	\$	\$
Excess of revenue over expenses / (expenses over revenue) has been arrived at after charging the following items:		
Depreciation and amortisation of plant and equipment	120,492	104,886
Operating leases – rental expense	332,510	298,422
Employee benefits expense	6,208,460	6,144,543
Provision for employee entitlements	22,140	107,481

Note 3 Cash and cash equivalents

	2016	2015
	\$	\$
Cash and bank balances	9,392,049	8,257,718
Cash on hand	300	300
	9,392,349	8,258,018

The weighted average interest rate on interest bearing bank accounts for 2016 was 0.94% (2015: 1.24%).

Note 4 Financial assets

	2016	2015
	\$	\$
Current financial asset - term deposits	2,704,986	2,551,363
Current financial asset - security deposits	159,073	-
Non-current financial asset - security deposit	334,269	159,073

The weighted average interest rate at 31 December 2016 on the term deposits was 2.7% (2015: 2.84%).

The term deposit amounting to \$334,269 was not available for use by the Company at reporting date due to those funds being used as security for a rental guarantee. This term deposit will mature on 4 October 2017. The term deposit amounting to \$159,073 previously used as security for a rental guarantee was released after reporting date following the surrender of the lease by the lessor and the Company. The remaining term deposits of \$2,550,000 and \$134,986 will mature on 28 August 2017 and 30 November 2017 respectively.

Note 5 Receivables

	2016	2015
	\$	\$
Trade and other receivables	22,410	30,060
GST receivable	321,122	360,996
	343,532	391,056

Receivables are non-interest bearing and are unsecured with payment terms of 14 days.

Note 6 Plant and equipment

	Leasehold improvements \$	Office equipment \$	Furniture and fittings \$	Total \$
At 31 December 2016				
Cost	138,750	283,066	119,583	541,399
Accumulated depreciation	(2,312)	(206,189)	(10,586)	(219,087)
Net book amount	136,438	76,877	108,997	322,312
At 31 December 2015				
Cost	409,172	320,415	97,011	826,598
Accumulated depreciation	(250,246)	(234,934)	(68,834)	(554,014)
Net book amount	158,926	85,481	28,177	272,584
Year ended 31 December 2016				
Opening net book amount	158,926	85,481	28,177	272,584
Additions at cost	138,750	38,226	106,782	283,758
Assets disposed	(98,178)	(294)	(15,066)	(113,538)
Depreciation expense	(63,060)	(46,536)	(10,896)	(120,492)
Closing net book amount	136,438	76,877	108,997	322,312
Year ended 31 December 2015				
Opening net book amount	210,001	56,455	22,280	288,736
Additions at cost	11,044	64,833	12,857	88,734
Depreciation expense	(62,119)	(35,807)	(6,960)	(104,886)
Closing net book amount	158,926	85,481	28,177	272,584

Note 7 Intangible assets

	Total \$
At 31 December 2016	
Cost	125,315
Accumulated amortisation	-
Net book amount	125,315
Year ended 31 December 2016	
Opening net book amount	-
Additions at cost	125,315
Amortisation expense	-
Closing net book amount	125,315

The total amount of intangible assets is currently classified as work in progress in relation to website development as at 31 December 2016.

Note 8 Payables

	2016 \$	2015 \$
Trade creditors and accruals	1,838,899	1,230,907
Credit cards	1,224	10,995
Accrued distributions to UNHCR, Geneva	6,844,600	6,632,908
Unspent grant	688,568	281,346
	9,373,291	8,156,156

Trade creditors are non-interest bearing and are unsecured with payment terms of 14 to 30 days.

Credit cards pertain to the credit facility disclosed in Note 15. They are paid on time and did not incur interest.

Note 9 Provisions

	2016 \$	2015 \$
Current		
Employee benefits	299,459	379,602
Lease incentive	-	53,448
Others	30,000	-
	329,459	433,050
Non-current		
Employee benefits	50,605	30,117
Lease incentive	-	80,178
Others	-	22,000
	50,605	132,295
Total Provisions	380,064	565,345

The total number of employees at the end of the year is 167 (2015: 144).

Note 10 Unearned revenue

	2016	2015
	\$	\$
Unearned revenue – overseas related party grant	1,434,020	627,826

This amount represents unspent grant monies received at 31 December 2016 (refer to note 16).

Note 11 Auditor's remuneration

	2016	2015
	\$	\$
Audit of the financial statements	14,000	14,000

Note 12 Additional note disclosures required under the *Charitable Fundraising (NSW) Act 1991*

Fundraising appeals conducted during the financial year included mail appeals, telephone appeals, and various other fundraising projects and receipt of indirectly solicited donations.

In accordance with Section 20 of the *Charitable Fundraising (NSW) Act 1991*, monies received in the course of fundraising appeals are applied according to the objects or purposes of the appeal net of proper and appropriate expenses.

DIRECT FUNDRAISING COSTS AND UNHCR GRANT

The organisation receives a grant from UNHCR for costs associated with the development of its fundraising programs. Certain fundraising programs are only undertaken on the basis that grant funds will be received from the UNHCR to subsidise their costs. Refer to note 16 for details of transfer to UNHCR.

Of the total proceeds collected from fundraising appeals \$27,870,376 or **82.1%** (2015: \$28,126,116 or **85.8%**) was distributed in relation to programs according to the objects and purposes of the appeal.

Note 12 Additional note disclosures required under the *Charitable Fundraising (NSW) Act 1991* (continued)

Information on material matters

	2016 \$	2015 \$
(A) Results of Fundraising Appeals		
Gross proceeds from fundraising appeals	33,845,018	32,696,545
Less: Direct fundraising costs	(11,055,937)	(11,113,009)
Net surplus obtained from fundraising appeals	22,789,081	21,583,536
UNHCR grant to subsidise direct fundraising costs	9,023,378	8,986,622
Other income	257,163	261,076
Total revenue net of direct fundraising costs	32,069,622	30,831,234
(B) Application of Net Surplus Obtained from Fundraising Appeals		
Amounts disbursed and disbursable in relation to programs	28,140,209	28,291,408
Administration expenses	3,744,824	3,331,678
Transfers to reserves and retained surplus	184,589	(791,852)
	32,069,622	30,831,234
(C) Comparison of Certain Monetary Figures and Percentages (Excluding Impact of UNHCR Grant)		
Total cost of fundraising over gross income from fundraising	33%	34%
Net surplus from fundraising over gross income from fundraising	67%	66%
Total cost of programs funded over total expenditure	66%	66%
Total cost of programs funded over total income	65%	67%
(D) Comparison of Certain Monetary Figures and Percentages (Including Impact of UNHCR Grant)		
Total cost of fundraising (public) over gross income from fundraising	6%	7%
Total cost of programs funded over total expenditure (excluding subsidised expenses)	83%	84%
Total cost of programs funded over total income (excluding grant subsidy)	82%	80%

Note 12 Additional note disclosures required under the Charitable Fundraising (NSW) Act 1991 (continued)

	2016 \$	2015 \$
(E) Details of Gross Income and Aggregate Expenses of Appeals Conducted Jointly With Traders		
Gross income received from fundraising appeals conducted with traders	1,677,306	1,693,423
Total expenditure incurred	(2,553,907)	(2,112,445)
Application of UNHCR grant	2,042,783	1,581,980
Gross contribution	1,166,182	1,162,958

Note 13 ACFID Code of Conduct

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

Purpose / Appeal	Cash available at 1 January 2016 \$	Cash raised during 2016 \$	Cash disbursed during 2016 \$	Cash available at 31 December 2016 \$
General Emergency Assistance Programs for Refugees	5,667,624	20,906,527	(21,089,086)	5,485,065
Syria Crisis	618,995	3,563,801	(3,768,086)	414,710
Refugee Crisis in Europe	289,717	94,318	(384,035)	-
Sexual gender based violence programs in the Democratic Republic of Congo	70,354	904,997	(705,131)	270,220
Emergency Assistance in Nigeria	13,233	25,815	(36,112)	2,936
Emergency Assistance in Iraq	3,145	226,859	(139,971)	90,033
Eritrean refugee children in Ethiopia	-	713,918	(697,220)	16,698
Global Shelter Program	-	583,203	(20,144)	563,059
Burkino Faso Milk Project	-	569,995	(569,995)	-
Emergency Assistance in South Sudan	-	7,047	(5,168)	1,879
Other purposes	1,594,950	16,740,097	(15,787,298)	2,547,749
Total	8,258,018	44,336,577	(43,202,246)	9,392,349

Note 14 Leasing Commitments

	2016 \$	2015 \$
Non-cancellable operating lease rentals not provided for in the financial statements and payable:		
Not longer than one year	434,139	425,341
Longer than one year but not longer than five years	1,600,232	678,670
	2,034,371	1,104,011

Note 15 Reconciliation of non-distributed funds to net cash provided by operating activities

	2016	2015
	\$	\$
Excess/(deficit) of revenue over disbursements	184,588	(791,853)
Add non-cash items:		
- Depreciation	120,492	104,886
- Loss of disposal of asset	28,905	-
- Lease incentive	84,632	53,450
Net cash (used)/provided by operating activities before change in assets and liabilities	418,617	(633,517)
Change in assets and liabilities:		
- Increase in receivables	(48,998)	(119,084)
- Increase in prepayments	(256,730)	(514,082)
- Increase in payables	1,288,058	4,144,974
- Decrease in current provisions	(44,769)	(41,951)
- Decrease in non-current provisions	(156,676)	(8,243)
- Increase in unearned revenue	806,194	158,528
Net cash provided by operating activities	2,005,696	2,986,625

CREDIT STANDBY ARRANGEMENTS WITH BANKS

	2016	2015
	\$	\$
Credit facility	30,000	27,000
Amount utilised	(1,224)	(10,995)
	28,776	16,005

Note 16 Related party disclosures

KEY MANAGEMENT PERSONNEL

Key management personnel of Australia for UNHCR include the Directors and Senior Executives, being the National Director and the Deputy National Director.

DIRECTORS

The names of each person holding the position of director of Australia for UNHCR during the financial year are Messrs J Denton, M Dwyer, J Boulton, P Reid, R Millen and Ms K Dundas.

The Company's constitution prevents any director receiving any remuneration for his or her services as a director or member.

Note 16 Related party disclosures (continued)

No director has entered into a material contract with the Company during the period and there were no material contracts involving directors' interests subsisting at period end. For a list of directors and their appointment dates refer to the Directors' Report.

SENIOR EXECUTIVES

Details of remuneration of Senior Executives, including compulsory superannuation contributions and non-cash benefits (salary packaged items), are set out below:

	Salary and Fees \$	Super-annuation \$	Non-cash benefits \$	Total \$
2016 total compensation	407,048	34,613	22,939	464,600
2015 total compensation	418,012	39,090	31,689	488,791

RELATED PARTY TRANSACTIONS

The Company's operations are subject to performance in accordance with agreements with UNHCR. Under those agreements, funds raised by Australia for UNHCR are remitted to UNHCR. Certain amounts are used to meet the Company's costs prior to remittance to UNHCR in accordance with the agreements with UNHCR.

Total contributions from income raised in 2016 remitted to UNHCR during the year amounted to \$21,025,776 (2015: \$21,493,208). The aggregate amounts payable to UNHCR at balance date were \$6,844,600 (2015: \$6,632,908).

During the year UNHCR remitted cash grants totaling \$9,023,378 (2015: \$9,895,834) to Australia for UNHCR for costs associated with fundraising growth programs. Of the 2016 grant received, \$2,122,588 was not expended by 31 December. Permission was obtained from the UNHCR to carry forward a proportion of this grant and utilise it to meet costs budgeted to be incurred in early 2016. Accordingly \$1,434,020 has been accounted for as unearned revenue at 31 December 2016 and Grant revenue for the year ended 31 December 2017 (note 10). The remaining \$688,568 unspent balance of the grant will be returned to UNHCR and is accounted for as a current liability (note 8).

Note 17 Financial risk management

FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable. The Company does not have any derivative instruments at 31 December 2016.

(a) Treasury risk exposure

The Finance Committee meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Note 17 Financial risk management (continued)

The committee's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(b) Financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

The Company is subject to normal commercial interest rate fluctuations on its bank accounts. Cash and cash equivalent balances totaling \$9,392,349 (2015: \$8,258,018) are subject to floating interest rates. The weighted average interest rate for the year was 0.94% (2015: 1.24%).

ii. Foreign currency risk

In 2016 the grant income from UNHCR was agreed in Australian dollars eliminating foreign currency risk.

The Company will continue to encourage future grant income agreements with UNHCR to be stated in Australian dollars to reduce foreign currency risk.

iii. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and cash in excess of liability requirements are invested in higher interest yielding bank accounts.

iv. Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risk on financial assets is minimized by dealing with recognised financial institutions and parties with acceptable credit ratings.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial arrangements entered into by the Company.

v. Credit risk exposure

Credit risk on financial assets is minimised by dealing with recognised financial institutions and parties with acceptable credit ratings.

vi. Price risk

The Company is not exposed to any material commodity price risk.

Note 18 Members' liability

Australia for UNHCR is a company limited by guarantee and was incorporated on 4 July 2000. In the event of the Company being wound up, each member of the Company undertakes to contribute an amount up to \$20. UNHCR and its Directors are the members of the Company at 31 December 2016.

Note 19 Events subsequent to reporting period

The Company is currently negotiating the 2017 Annual Project Partnership Agreement with UNHCR. The agreement confirms the financial contributions from UNHCR for fundraising activities for the year.

Note 20 Economic dependency

During the year ended 31 December 2016 the Company was entitled to a grant of \$10,518,140 (2015: \$9,895,834) from UNHCR and is dependent on this entity for financial support in respect of developing its fundraising activities and donor acquisition, and special projects as assigned by UNHCR. A similar arrangement is currently being negotiated for 2017 through the Annual Project Partnership Agreement.

Note 21 Contingent liabilities

No contingent liabilities to report for 2016 (2015: \$ nil).

Note 22 Company details

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


Australia for UNHCR
Level 8
120 Sussex Street
Sydney NSW 2000

DIRECTORS' DECLARATION

In the opinion of the directors of Australia for UNHCR ("the Company"):

1. the financial statements and notes, set out on pages 9 to 28, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards, the Accounting Interpretations and the *Australian Charities and Not-for-profits Commission Act 2012*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
3. the Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
4. the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
5. the provisions of the *Charitable Fundraising Act (NSW) 1991* and the *NSW Charitable Fundraising Regulations 2015* and the conditions attached to the fundraising authority have been complied with by the Company;
6. the requirements of the Australian Council for International Development Code of Conduct have been complied with by the Company; and
7. the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors:-



Kate Dundas
Director



Paul Reid
Director

Dated at Sydney this 29 March 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIA FOR UNHCR
ABN 35 092 843 322**

Report on the Audit of the Financial Report

We have audited the financial report of Australia for UNHCR ("the Company"), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Opinion

In our opinion:

- a) The financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the ACNC Act.
- b) The accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *NSW Charitable Fundraising Regulation 2015*.
- c) Money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *NSW Charitable Fundraising Regulation 2015*.
- d) The financial report is prepared in accordance with section C.2.2 and D.4.2 of the Australian Council for International Development Code of Conduct.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIA FOR UNHCR
ABN 35 092 843 322**

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

Responsibilities of Directors for the Financial Report

The directors of the 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 (including Australian Accounting Interpretations) and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 directors.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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 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 our audit.



C I CHANDRAN
PARTNER



PITCHER PARTNERS
SYDNEY

29 March 2017