



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

Annual Financial Report
Year ended 31 December 2015

Australia for UNHCR ABN 35 092 843 322
Financial Report – 31 December 2015

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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 2015 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 Retired from KPMG 2014	December 2004
Mrs Alice Spigelman AM	BA, MA Clin Psych, Dip Clin Psych Uni Syd Clinical Psychologist, former Marketing Director Benevolent Society, author (resigned 28 July 2015)	February 2006
Mr Rick Millen	MA, Law Oxford University, UK Member Institute of Chartered Accountants Graduate Member of the Australian Institute of Company Directors Retired from PricewaterhouseCoopers 2011 Director, Cabcharge Limited Director, Palmera Projects	April 2012
Ms Katherine Dundas	BA (Comm) Vincent Fairfax Fellow, University of Melbourne Graduate Member of the Australian Institute of Company Directors Director, Australian Film, Television and Radio School Executive Coach and Mentor (appointed 18 September 2015)	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	4
Mr John Boulton AM	6	4
Mr Paul Reid	6	5
Mrs Alice Spigelman AM*	3	3
Mr Rick Millen	6	4
Ms Katherine Dundas**	2	2

*Mrs Spigelman resigned from the Board on 28 July 2015.

** Ms Dundas was appointed as a Director on 18 September 2015.

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

Finance Sub-Committee

Director	Number eligible	Number attended
Mr Michael Dwyer AM	4	4
Mr John Boulton AM	4	4
Mr Paul Reid	4	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	July 2000

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.

	2015		2014	
	Actual	Benchmark	Actual	Benchmark
Fundraising income (000's)	\$32,787	\$28,836	\$26,828	\$25,183
National Growth Fund (000's)	\$8,986	\$8,991	\$9,478	\$9,375
New regular donors	20,166	27,137	23,334	24,510
New cash donors	16,481	9,284	11,384	9,352
Total donors	88,457	80,773	72,781	68,143
Transfer to UNHCR as a percentage of fundraising income	86%	76%	81%	79%

Directors' report (continued)

Review and result of operations

The operating deficit for 2015 amounted to \$791,852 (2014 surplus: \$296,644). The years' deficit is due to the Company's commitment to maximising its contribution to UNHCR, and in 2015 the Company remitted an additional \$1 million from its historical earnings to UNHCR. The current funds available for future use amount to \$2.9 million. Of this amount, \$2.55 million is in Reserve. Having taken into consideration the Company's growth and reviewing the sufficiency of the Reserve, the Reserve was increased from \$2.40 million to \$2.55 million.

OVERVIEW

In 2015 Australia for UNHCR raised \$32.8 million (2014: \$26.8 million). This result represents growth of 22.2% on 2014 income.

The Company acquired 36,647 new donors resulting in a total of 88,457 active donors (53,798 regular donors and 34,659 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) and improving donor loyalty through the introduction of the retention strategy which has seen significant reduction of donor attrition.

The worsening conditions for refugees in Syria and the region saw the commencement of the refugee crisis in Europe. In late September 2015, the organisation launched an emergency appeal which raised \$1.9 million and boosted income for the Company's continuing Syria appeal which has now raised \$7.2 million since the start of the crisis in 2013. During the year, Australia for UNHCR also raised funds for emergencies in Nigeria and in response to the earthquake in Nepal. The Company has continued its campaign to raise funds for sexual and gender based violence (SGBV) programs in the Democratic Republic of Congo and supported health projects in Bangladesh and water and sanitation projects in Chad.

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

Australia for UNHCR continued its public awareness and education activities with the support of its Board, staff and Special Representatives. Events with donors and supporters included briefings and presentations, fundraising events and a photo exhibition. Following the successful campaign in 2014, the Company again partnered with IKEA for the global "Brighter Lives" campaign where IKEA stores hosted interactive exhibits at three locations in Sydney and Melbourne. Also, in its second year, the Company engaged corporate partners through its ACTION HOUR campaign to support refugees on World Humanitarian Day.

During the year, the National Director undertook a number of field missions gathering material for fundraising and donor feedback as well as reviewing the Livelihood Program in Uganda for urban women refugees.

Directors' report (continued)

The Women's Committee Chaired by director Alice Spigelman AM supported the annual Mothers Day Lunch hosted by broadcaster and journalist Wendy Harmer featuring guest speakers former Sierra Leone refugee, Yarrie Bangura, social commentator, Jane Caro, and actor, Jane Turner.

The Program Committee chaired by Michael Dwyer supported the annual World Refugee Day Breakfast hosted by journalist Sandra Sully and supported by Corporate Sponsor Colonial First State Global Asset Management.

A key highlight of the year was a ten day series of public engagement activities hosted by the Company and special invitee Sister Angélique Namaika, the 2013 UNHCR Nansen Humanitarian Award recipient for her ground-breaking work with women and girls in the Democratic Republic of the Congo (DRC). The events, conducted in Sydney, Canberra and Melbourne included donor briefings, a photo exhibition, presentations to Universities, corporate and media. The Company with UNHCR Regional Office also held briefings with Parliament and diplomats in Canberra.

As part of its community engagement the Company launched Cycle for Refugees – a community fundraising event where participants raised funds by embarking on a cycling challenge through Vietnam and Cambodia.

The Company continued its regular communications to existing donors, supporters and other interested bodies and individuals. It also used regular email newsletters and e-alerts to keep supporters informed and up-to-date about the Company's activities and areas of support.

The Company continues to expand its digital and social media presence and now has in excess of 130,000 Facebook followers and more than 35,000 supporters across other social media platforms such as Twitter and Instagram.

KEY PEOPLE, STAFF AND OPERATIONS

Following the organisation review conducted in late 2014, the Company continues to implement the recommendations to enhance staff engagement and culture and held a staff vision and values workshop in early 2015.

Staff attended various UNHCR and industry workshops. Face-to-Face staff attended the annual UNHCR /PSFR Skillshare, select senior staff attended the annual UNHCR/PSFR Consultation and fundraising meetings in Europe. In addition, key contacts from UNHCR met with staff in Sydney to discuss the Company's fundraising programs, emergency fundraising and compliance review.

Directors' report (continued)

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 has executed the 2016 Annual Project Partnership Agreement with UNHR on 25 February 2016. 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' benefits

No director receives any remuneration for services provided to the Company. Further details are set out in Note 15 to the financial statements.

Directors' report (continued)

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:



John W.H. Denton
Director



Paul Reid
Director

Dated at Sydney this 30 March 2016

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**Auditor's Independence Declaration
to the Responsible Entities of Australia for UNHCR**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2015 there have been no contraventions of:

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

Pitcher Partners
Sydney



Chris Chandran
Partner

Dated in Sydney, 30th day of March 2016.

Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue			
Donations and gifts - monetary		32,518,304	26,707,401
Grants - overseas related party		8,986,662	9,477,658
Bequest and legacy income		178,241	5,214
Investment income - interest		170,309	183,905
Other income		90,767	115,704
Total revenue		41,944,283	36,489,882
Expenses			
International aid and development programs expenditure:			
International programs:			
Funds to international programs paid		21,493,208	18,585,911
Funds to international programs accrued		6,632,908	3,100,497
Community education		165,292	116,744
Fundraising costs:			
Funded by overseas grant		8,986,662	9,477,658
Public		2,126,387	1,931,603
Accountability and administration		3,331,678	2,980,825
Total expenses		42,736,135	36,193,238
Excess of (expenses over revenue) /revenue over expenses	2	(791,852)	296,644
Other comprehensive income		-	-
Total comprehensive (loss)/income		(791,852)	296,644

For the year ended 31 December 2015, 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 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	3	8,258,018	6,366,490
Financial assets - held-to-maturity investments	4	2,551,363	1,704,073
Receivables	5	391,056	271,909
Prepayments		656,146	142,063
Total current assets		11,856,583	8,484,535
Non-current assets			
Plant and equipment	6	272,584	288,736
Financial assets – security deposits	4	159,073	-
Total non-current assets		431,073	288,736
Total assets		12,288,240	8,773,271
Current liabilities			
Payables	7	8,156,156	4,011,119
Lease liabilities		16,382	-
Provisions	8	433,050	427,349
Unearned revenue	9	627,826	469,297
Total current liabilities		9,233,414	4,907,765
Non-current liabilities			
Lease liabilities		15,510	-
Provisions	8	132,295	166,633
Total non-current liabilities		147,805	166,633
Total liabilities		9,381,219	5,074,398
Net assets		2,907,021	3,698,873
Members' funds			
Retained surplus		357,021	1,298,873
Reserves		2,550,000	2,400,000
Total members' funds		2,907,021	3,698,873

At the end of the financial year, Australia for UNHCR had no balances in the following categories: inventories, assets held for sale, investment property, intangibles, 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 2015

	Reserves \$	Retained Surplus \$	Total \$
	(Note 1q)		
Funds available for future use at 1 January 2014	1,400,000	2,002,229	3,402,229
Excess of revenue over expenses for the year	-	296,644	296,644
Transfer to reserves	1,000,000	(1,000,000)	-
Funds available for future use at 31 December 2014	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

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 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts of grant		9,426,536	9,946,956
Cash receipts of donations, gifts and bequests		32,696,545	26,712,615
Cash payments to suppliers and employees		(17,898,088)	(12,161,100)
Cash payments to UNHCR for overseas projects		(21,493,208)	(21,686,408)
Interest received		164,073	178,714
Other income		90,767	115,704
Net cash provided by operating activities	14	2,986,625	3,106,481
Cash flows from investing activities			
Payment for plant and equipment		(88,734)	(60,124)
Investment in held to maturity financial assets		(1,006,363)	(524,573)
Net cash used in investing activities		(1,095,097)	(584,697)
Net increase in cash held		1,891,528	2,521,784
Cash at the beginning of the financial year		6,366,490	3,844,706
Cash at the end of the financial year	3	8,258,018	6,366,490

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 2015

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 30 March 2015.

(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 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 Organisation.

(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 improvement	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.

Note 1 Summary of significant accounting policies (continued)

(i) 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 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.

(j) 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.

(k) 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)

(l) 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.

(m) 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.

(n) 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.

(o) Comparatives

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

(p) 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.

(q) 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)

(r) 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.

(s) 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 2015.

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 2015.

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

	2015	2014
	\$	\$
Excess of (expenses over revenue)/ revenue over expenses has been arrived at after charging the following items:		
Depreciation and amortisation of plant and equipment	104,886	97,096
Operating leases – rental expense	298,422	268,649
Employee benefits expense	6,144,543	6,306,662
Provision for employee entitlements	107,481	89,374

Note 3 Cash and cash equivalents

	2015	2014
	\$	\$
Cash and bank balances	8,257,718	6,366,190
Cash on hand	300	300
	8,258,018	6,366,490

The weighted average interest rate on interest bearing bank accounts for 2015 was 1.24% (2014: 2.22%).

Note 4 Financial assets

	2015	2014
	\$	\$
Current financial asset - term deposits	2,551,363	1,704,073
Non-current financial asset - security deposit	159,073	-

The weighted average interest rate at 31 December 2015 on the term deposits was 2.84% (2014: 3.54%).

The term deposit amounting to \$159,073 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 30 November 2016. The remaining term deposits of \$2,400,000 and \$151,363 will mature on 28 February 2016 and 30 November 2016 respectively.

Note 5 Receivables

	2015	2014
	\$	\$
Trade and other receivables	30,060	18,434
GST receivable	360,996	253,475
	391,056	271,909

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 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
At 31 December 2014				
Cost	398,128	255,581	84,154	737,863
Accumulated depreciation	(188,127)	(199,126)	(61,874)	(449,127)
Net book amount	210,001	56,455	22,280	288,736
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
Year ended 31 December 2014				
Opening net book amount	30,843	63,730	11,134	105,707
Additions at cost	232,236	30,334	17,555	280,125
Depreciation expense	(53,078)	(37,609)	(6,409)	(97,096)
Closing net book amount	210,001	56,455	22,280	288,736

Note 7 Payables

	2015	2014
	\$	\$
Trade creditors and accruals	1,230,907	895,281
Credit cards	10,995	15,341
Accrued distributions to UNHCR, Geneva	6,632,908	3,100,497
Unspent grant	281,346	-
	8,156,156	4,011,119

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 14. They are paid on time and did not incur interest.

Note 8 Provisions

	2015	2014
	\$	\$
Current		
Employee benefits	379,602	373,901
Lease incentive	53,448	53,448
	433,050	427,349
Non-current		
Employee benefits	30,117	16,003
Lease incentive	80,178	133,630
Others	22,000	17,000
	132,295	166,633
Total Provisions	565,345	593,982

The total number of employees at the end of the year is 144 (2014: 141).

Note 9 Unearned revenue

	2015	2014
	\$	\$
Unearned revenue – overseas related party grant	627,826	469,297

This amount represents unspent grant monies received at 31 December 2015 (refer to note 15)

Note 10 Auditor's remuneration

	2015	2014
	\$	\$
Audit of the financial statements	14,000	13,000

Note 11 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 15 for details of transfer to UNHCR.

Of the total proceeds collected from fundraising appeals \$28,126,116 or **85.8%** (2014: \$21,686,408 or **80.8%**) was distributed in relation to programs according to the objects and purposes of the appeal.

Note 11 Additional note disclosures required under the *Charitable Fundraising (NSW) Act 1991* (continued)

Information on material matters

	2015	2014
	\$	\$
(A) Results of Fundraising Appeals		
Gross proceeds from fundraising appeals	32,696,545	26,712,615
Less: Direct fundraising costs	(11,113,009)	(11,409,261)
Net surplus obtained from fundraising appeals	21,583,536	15,303,354
UNHCR grant to subsidise direct fundraising costs	8,986,622	9,477,658
Other income	261,076	299,609
Total revenue net of direct fundraising costs	30,831,234	25,080,621
(B) Application of Net Surplus Obtained from Fundraising Appeals		
Amounts disbursed and disbursable in relation to programs	28,291,408	21,803,152
Administration expenses	3,331,678	2,981,825
Transfers to reserves and retained surplus	(791,852)	295,644
	30,831,234	25,080,621
(C) Comparison of Certain Monetary Figures and Percentages (Excluding Impact of UNHCR Grant)		
Total cost of fundraising over gross income from fundraising	34%	43%
Net surplus from fundraising over gross income from fundraising	66%	57%
Total cost of programs funded over total expenditure	66%	60%
Total cost of programs funded over total income	67%	60%
(D) Comparison of Certain Monetary Figures and Percentages (Including Impact of UNHCR Grant)		
Total cost of fundraising (public) over gross income from fundraising	7%	7%
Total cost of programs funded over total expenditure (excluding subsidised expenses)	84%	82%
Total cost of programs funded over total income (excluding grant subsidy)	80%	80%

Note 11 Additional note disclosures required under the *Charitable Fundraising (NSW) Act 1991* (continued)

	2015	2014
	\$	\$
(E) Details of Gross Income and Aggregate Expenses of Appeals Conducted Jointly With Traders		
Gross income received from fundraising appeals conducted with traders	1,693,423	1,676,068
Total expenditure incurred	(2,112,445)	(2,336,619)
Application of UNHCR grant	1,581,980	1,855,000
Gross contribution	1,162,958	1,194,449

Note 12 ACFID Code of Conduct

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

Purpose / Appeal	Cash available at 1 January 2015	Cash raised during 2015	Cash disbursed during 2015	Cash available at 31 December 2015
	\$	\$	\$	\$
General Emergency Assistance Programs for Refugees	2,088,121	21,568,790	(17,989,287)	5,667,624
Syria Crisis	343,213	2,366,905	(2,091,123)	618,995
Refugee Crisis in Europe	-	1,437,074	(1,147,357)	289,717
Emergency Assistance in Nigeria	-	840,276	(827,043)	13,233
Sexual gender based violence programs in the Democratic Republic of Congo	-	586,003	(515,649)	70,354
Emergency Assistance in Iraq	227,765	39,027	(263,647)	3,145
Emergency Assistance in South Sudan	23,639	-	(23,639)	-
Other purposes	3,683,752	15,539,846	(17,628,648)	1,594,950
Total	6,366,490	42,377,921	(40,486,393)	8,258,018

Note 13 Leasing Commitments

	2015	2014
	\$	\$
Non-cancellable operating lease rentals not provided for in the financial statements and payable:		
Not longer than one year	425,341	337,028
Longer than one year but not longer than five years	678,670	902,196
	1,104,011	1,239,224

Note 14 Reconciliation of non-distributed funds to net cash provided by operating activities

	2015 \$	2014 \$
Excess/(deficit) of revenue over disbursements	(791,853)	296,644
Add non-cash items:		
- Depreciation	104,886	97,096
- Lease incentive	53,450	50,123
Net cash (used)/provided by operating activities before change in assets and liabilities	(633,517)	443,863
Change in assets and liabilities:		
- Increase in leasehold incentive	-	(220,000)
- Increase in receivables	(119,084)	(59,434)
- Increase in prepayments	(514,082)	(62,587)
- Increase in payables	4,144,974	2,363,495
- Increase/(decrease) in current provisions	(41,951)	28,724
- Increase/(decrease) in non-current provisions	(8,243)	143,122
- Increase in unearned revenue	158,528	469,298
Net cash provided by operating activities	2,986,625	3,106,481

CREDIT STANDBY ARRANGEMENTS WITH BANKS

	2015 \$	2014 \$
Credit facility	27,000	27,000
Amount utilised	(10,995)	(15,342)
	16,005	11,658

Note 15 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, Ms K Dundas and Mrs A Spigelman. Mrs A Spigelman resigned as a director of Australia for UNHCR on 28 July 2015 and Ms K Dundas was appointed as a director on appointed 18 September 2015.

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

Note 15 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 \$
2015 total compensation	418,012	39,090	31,689	488,791
2014 total compensation	392,736	34,701	31,979	459,416

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 2015 remitted to UNHCR during the year amounted to \$21,493,208 (2014: \$21,686,408). The aggregate amounts payable to UNHCR at balance date were \$6,632,908 (2014: \$1,027,459).

During the year UNHCR remitted cash grants totaling \$9,895,834 (2014: \$9,946,955) to Australia for UNHCR for costs associated with fundraising growth programs. Of the 2015 grant received, \$909,171 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 \$627,825 has been accounted for as unearned revenue at 31 December 2015 and Grant revenue for the year ended 31 December 2016 (note 9). The remaining \$281,346 unspent balance of the grant will be returned to UNHCR and is accounted for as a current liability (note 7).

Note 16 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 2015.

(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 16 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 \$8,258,018 (2014: \$6,366,490) are subject to floating interest rates. The weighted average interest rate for the year was 1.24% (2014: 2.22%).

ii. Foreign currency risk

In 2015 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 17 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 2015.

Note 18 Events subsequent to reporting period

The Company entered into an Annual Project Partnership Agreement which confirms financial contributions for fundraising activities for 2016.

Note 19 Economic dependency

During the year ended 31 December 2015 the Company was entitled to a grant of \$9,895,834 (2014: \$9,946,955) 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 has been agreed for 2016 through the Annual Project Partnership Agreement.

Note 20 Contingent liabilities

No contingent liabilities to report for 2015 (2014: \$ nil).

Note 21 Company details

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

Australia for UNHCR
Suite 601
66 King 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 2015 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 *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2006* 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:-



John W.H. Denton
Director



Paul Reid
Director

Dated at Sydney this 30 March 2016

**Independent Auditor's Report
to the members of Australia for UNHCR
ABN: 35 092 843 322**

Report on the Financial Report

We have audited the accompanying financial report of Australia for UNHCR ("the Company"), which comprises the statement of financial position as at 31 December 2015, 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.

Directors' Responsibility for the Financial Report

The responsible entities 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 and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *NSW Charitable Fundraising Act 1991*, the *NSW Charitable Fundraising Regulation 2008* and the *Australian Council for International Development Code of Conduct*. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

- a) In our opinion, the financial report of Australia for UNHCR is in accordance with 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 31 December 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.
- b) The accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2008*;
- 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 1991* and the *NSW Charitable Fundraising Regulation 2008*; and
- 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.



Pitcher Partners
Sydney



Chris Chandran
Partner

Dated in Sydney, this 30th day of March 2016.