

Pratham AUS Incorporated

ABN: 82 374 145 565

Financial Statements

For the year ended 30 June 2021

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For the year ended 30 June 2021

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Pratham AUS Incorporated

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Chairperson's Report

For the year ended 30 June 2021

The Board submit the financial report of Pratham AUS Incorporated ("Pratham", "Pratham AUS" or "the association") for the financial year ended 30 June 2021.

Pratham AUS is an incorporated association registered in New South Wales under the *Associations Incorporation Act 2009*. Pratham was issued its registration on 9 February 2015 and has been registered without interruption until 30 June 2020.

Pratham AUS received Deductible Gift Recipient ("DGR") status from the ATO on 30 May 2015 and has retained this status since. DGR status allows donors to make tax deductible contributions to Pratham AUS.

Principal Activities

The Pratham Education Foundation India, 'Pratham India' in short, was established in 1995 as a non-profit organization headquartered in India, working towards the vision of "every child in India in school and learning well".

Pratham AUS supports Pratham India's continuing endeavours to provide a safe and healthy place and environment conducive to effective learning and teaching, establish, encourage and support educational and training institutions, establish and encourage active participation of students, teachers and communities to actively participate in range of community and environment restoration projects, promote team sports and healthy and hygienic activities (especially for children and women), provide a common meeting ground to exchange ideas, etc. so as to create opportunities for those under-privileged.

Pratham AUS's primary objectives include raising funds to support the activities of Pratham India's educational, vocational training and related activities in India, providing oversight of the use of Pratham AUS funds in India, increasing awareness of the problems of the underprivileged in India, including educational deficits and their potential solutions, and overseeing the development and use of the Pratham AUS identity within Australia.

The Board of Pratham AUS has decided to focus its attention on Pratham's Second Chance program that provides continuing education and upskilling to girls and women who have had to drop-out of school for reasons beyond their control, including having to work to support their families. Pratham's program allows them to study near their homes, around their daily household and work responsibilities. The program has progressed into giving microfinancing to young women for setting up small businesses in their respective communities.

Due to COVID-19 government restrictions two major fundraising events planned – in November 2020 and March 2021 respectively - had to be cancelled. However, work on the new website, and on governance review and Board renewal (as advised in the Constitution) was carried out and resolved.

Three Board members - Alka Marwaha, Victoria Smyth, Richard Banks – stepped down wef 31/12/2020. A new Board member, Anoop Kalra, was appointed on 10/12/2020.

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Chairperson's Report

For the year ended 30 June 2021

Operating Results

Pratham AUS had a net surplus of \$2,948 (2020: \$10,812) for the year ended 30 June 2021. Additionally, the association had cash and cash equivalents of \$54,464 (2020: \$51,516) as at 30 June 2021.

The Board is confident in its continued ability to raise sufficient funds to achieve its short and long-term objectives.

Board

The Board ("the EC" or "the Board") is responsible for managing the affairs of the association, in accordance with its constitution and the *Associations Incorporations Act 2009* ("the Act").

The Board is responsible for managing the affairs of the association, in accordance with its constitution and the Act. Additionally, the role of the Board includes:

- managing the association's financial affairs and maintaining its financial viability.
- ensuring the association acts in accordance with its objects or purposes; and
- meeting all legal requirements.

The minimum number of Board members is 5, with a maximum of 11. The Board members may appoint any individual as a Board member, either to fill a casual vacancy or as an addition to the existing Board members, provided the number of Board members does not exceed the maximum number of 11.

The Board members hold office for a maximum of 6 years from the date of appointment unless the Board decides otherwise for any Board member.

Board Meetings

During the year ended 30 June 2021, a total of five Board Meetings were held. These include one AGM for acceptance of FY20 Financial Report.

Name	Appointed	Post	Meetings Attended	Meetings Eligible
Ms Sarita Chand	9 February 2015	Chairperson	5	5
Ms Jill Weekes	23 February 2017	Deputy Chairperson	3	5
Ms Victoria Smyth	9 February 2015	Board Member	1	3
Ms Alka Marwaha	9 February 2015	Board Member	1	3
Mr Richard Banks	22 June 2017	Board Member	0	3
Ms Debra Berkhout	10 September 2015	Secretary	4	5
Mr Guy Beres	9 February 2015	CIO	3	5
Ms Ritu Bajaj	9 November 2019	Board Member	5	5
Mr Piyush Bhatt	14 February 2019	Treasurer	5	5
Mr Anoop Kalra	10 December 2020	Board Member	2	2

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Chairperson's Report For the year ended 30 June 2021

Members

According to Pratham AUS's constitution, the only members of the association are its board members. When a person becomes a board member, they also become a member of the association, and vice-versa.

There are no entrance/subscription fees payable.

Audit

As an incorporated association (Tier 2), the Board understands from NSW Fair Trading that undertaking an audit is not a statutory requirement. However, an auditor shall be appointed by the Board to annually examine our accounts and furnish an audit report thereon for presentation to members at the following annual meeting. An auditor shall not be a member of or related to a member of the Board.

On 7 April 2016, Robert Mayberry, a registered company auditor was appointed as auditor of Pratham AUS.

Signed in accordance with a resolution of the Board:

Chairperson: Sarita Chand
Sarita Chand

Dated: 13.12.2021

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Statement of Income and Expenditure

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Fundraising event income		-	15,725
Donations received		48,058	43,155
Membership fees		-	-
Interest income		-	-
Total income		48,058	58,880
Less: Cost of Sales			
Fundraising costs		-	7,893
Total Cost of Sales		-	7,893
Gross profit		48,058	50,987
Expenses			
Accounting fees		-	-
Advertising & Promotion		-	-
Bank fees		6	175
Donations – Pratham India		45,000	40,000
Printing & Stationery		106	-
Total expenses		45,112	40,175
Net surplus/(deficit) for the year		2,948	10,812

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Statement of Financial Position

30 June 2021

	Note	2021 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	54,464	51,516
TOTAL CURRENT ASSETS		54,464	51,516
TOTAL ASSETS		54,464	51,516
LIABILITIES			
		-	-
TOTAL LIABILITIES		-	-
NET ASSETS / (LIABILITIES)		54,464	51,516
EQUITY			
Current year earnings		2,948	10,812
Retained earnings		51,516	40,704
TOTAL EQUITY		54,464	51,516

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies

Pratham AUS is an incorporated association registered in New South Wales under the *Associations Incorporation Act 2009*.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies have been adopted in the preparation of this report are as follows:

(a) Basis of Preparation

The committee has prepared the financial statements on the basis that the entity is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

(b) Cash and Cash Equivalents

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

(c) Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Donations, gifts and events income is recognised at the earlier of receipt or notification that the monies have been secured.

Interest revenue is recognised as it accrues taking into account the interest rates applicable on the financial asset. Income on loans is recognised in accordance with the terms of the relevant agreement.

Grant income is recognised at fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

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Notes to the Financial Statements For the year ended 30 June 2021

Note 2 Cash and cash equivalents

	2021	2020
Commonwealth Bank of Australia – Society Cheque Account #766	2,560	2,664
Commonwealth Bank of Australia – Society Cheque Account #864	51,904	48,852
	<u>54,464</u>	<u>51,516</u>

Note 3 Events After the Balance Sheet Date

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the associations state of affairs in future financial years.

Note 4 Information and declarations to be furnished under the Charitable Fundraising Act 1991

(i) *Details of aggregate gross income and total expenses of fundraising events:*

	2021	2020
	\$	\$
Gross proceeds from fundraising activities:		
Fundraising events	-	15,725
Donations received	48,058	43,155
Membership fees	-	-
Total	<u>48,058</u>	<u>58,880</u>
Less total direct cost of fundraising activities:		
Fundraising costs	-	7,893
Total	<u>48,058</u>	<u>7,893</u>
Net surplus from fundraising events	<u>48,058</u>	<u>50,987</u>

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Notes to the Financial Statements

For the year ended 30 June 2021

Note 5 Information and declarations to be furnished under the Charitable Fundraising Act 1991 (continued)

(ii) *Application of net surplus from fundraising events:*

Net surplus from fundraising events 48,058

This surplus will be used to provide money, property or benefits to deliver social, cultural and professional advancement for Pratham in India.

(iii) <i>Comparisons of certain monetary figures and percentages</i>	2021 \$	2021 %	2020 \$	2020 %
Total cost of fundraising/gross income from fundraising	<u>0</u> 48,058	0	<u>7,893</u> 58,880	13
Net surplus from fundraising/gross income from fundraising	<u>48,058</u> 48,058	100	<u>50,987</u> 58,880	87
Total cost of services/total expenditure	<u>112</u> 45,112	0	<u>175</u> 40,175	0
Total cost of services/total income received (net surplus from fundraising)	<u>112</u> 45,112	0	<u>175</u> 50,987	0

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Declaration by Committee For the year ended 30 June 2021

The Board have determined that the entity is not a reporting company and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 8:

1. Presents a true and fair view of the financial position of Pratham AUS Incorporated as at 30 June 2021 and its performance for the year ended on that date; and
2. At the date of this statement, there are reasonable grounds to believe that Pratham AUS Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the directors by:

Chairperson: Sarita Chand
Sarita Chand

Treasurer: Piyush Bhatt
Piyush Bhatt

Dated: 13.12.2021

The accompanying notes form part of these financial statements.

Pratham AUS Incorporated

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Independent Audit Report to the members of Pratham AUS Incorporated

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Pratham AUS Incorporated, which comprises the statement of financial position as at 30 June 2021, the statement of Income and expenditure for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Board's declaration.

The Responsibility of the Board for the Financial Report

The Board of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements are appropriate to meet the requirements of the constitution and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal controls as the directors determine is necessary to enable the preparation and fair presentation of a 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 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 and fair presentation of the financial report 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 Committee, 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 professional ethical pronouncements.

Basis for qualified auditor's opinion

Fundraising revenue is a significant source of revenue for Pratham AUS Incorporated. The entity has determined that it is impracticable to establish controls over the collection of fundraising appeal activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the fundraising revenue of Pratham AUS obtained is complete.

Pratham AUS Incorporated

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Independent Audit Report to the members of Pratham AUS Incorporated

Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Pratham AUS Incorporated as of 30 June 2021 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist Pratham AUS Incorporated to meet its requirements to its members. As a result, the financial report may not be suitable for another purpose.

Report on Other Legal and Regulatory Requirements

Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph not existed:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2021;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2020 to 30 June 2021 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) there are reasonable grounds to believe that Pratham AUS Incorporated will be able to pay its debts as and when they fall due.



ROBERT MAYBERRY

Chartered Accountant

Registered Company Auditor no. 185903

PO Box 482

Lane Cove, NSW, 1595

Dated: 13-12-2021

Pratham AUS Incorporated

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Independent Audit Report to the members of Pratham AUS Incorporated

AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE BOARD OF MANAGEMENT OF PRATHAM AUS INCORPORATED

In accordance with Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the committee members of Pratham AUS Incorporated.

I declare that, to the best of my knowledge and belief, during the year ended **30 June 2021** there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



Robert Mayberry FCA
Registered Company Auditor no. 185903
PO Box 482
Lane Cove, NSW, 1595

Dated: *13-12-2021*