

# **Pratham AUS Incorporated**

ZABN: 82 374 145 565

## **Financial Statements**

For the year ended 30 June 2018

# Pratham AUS Incorporated

ABN: 82 374 145 565

**For the year ended 30 June 2018**

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Chairperson's Report	1
Statement of Income and Expenditure	4
Statement of Financial Position	5
Notes to the Financial Statements	6
Directors' Declaration	9
Independent Audit Report	10
Auditor's Independence Declaration	12

# **Pratham AUS Incorporated**

ABN: 82 374 145 565

## **Chairperson's Report**

### **For the year ended 30 June 2018**

The Board submit the financial report of Pratham AUS Incorporated ("Pratham", "Pratham AUS" or "the association") for the financial year ended 30 June 2018.

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 2018.

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**

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

Pratham AUS support's 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 Education Foundation 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. Pratham AUS may partner with other organizations to further its aims and objectives, and indeed plans to do so.

A significant issue of note in the year was the adoption of a new set of governing rules 'Pratham AUS Inc Rules', to replace the existing 'Memorandum of Association of Pratham AUS'. The new document, put together by lawyers Herbert Smith Freehills, significantly simplifies the provision of rules, and ensures they are consistent with the current applicable legislation.

The association's predominant focus for the year was to devise fundraising events and marketing strategies, and appointing key posts and patrons. A major fundraising dinner was held on 28th September 2017.

#### **Operating Results**

Pratham AUS had a net surplus of \$6,667 (2017: deficit of \$7,067) for the year ended 30 June 2018. Additionally, the association had cash and cash equivalents of \$28,135 (2016: \$21,468) as at 30 June 2018.

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

# Pratham AUS Incorporated

ABN: 82 374 145 565

## Chairperson's Report For the year ended 30 June 2018

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 members of the Board shall be elected by a single majority vote at an annual general meeting according to the rules laid down in the constitution and shall hold office for a period of two (2) years. All the members of the Board shall be eligible for re-election to their respective positions for a subsequent period of not more than two (2) consecutive terms. However, at the end of the first term they must become Life members of the association to be eligible to hold such an office for the second term. A period of four (4) years must lapse before these officers become eligible for re-nomination for the respective positions vacated after serving their full terms of office.

### Board Meetings

During the year ended 30 June 2018, a total of seven Board Meetings were held. These included one SGM (for adoption of the new constitution, Pratham AUS Inc Rules) and one AGM (for acceptance of FY17 Financial Report).

Name	Appointed	Post	Meetings Attended	Meetings Eligible
Ms Sarita Chand	9 February 2015	Chairperson	6	7
Ms Jill Weekes	23 February 2017	Deputy Chairperson	5	7
Ms Victoria Smyth	9 February 2015	Board Member	6	7
Ms Alka Marwaha	9 February 2015	Board Member	4	7
Mr Richard Banks	22 June 2017	Board Member	6	7
Mr Saeed Mirzakhani	30 April 2015	Treasurer	2	7
Ms Debra Berkhout	10 September 2015	Secretary	4	7
Mr Guy Beres	9 February 2015	CIO	6	7
Ms Anita Verma	9 February 2015	Board Member	7	7

### Members

According to Pratham AUS's new 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.

# **Pratham AUS Incorporated**

ABN: 82 374 145 565

## **Chairperson's Report For the year ended 30 June 2018**

### **Audit**

As an incorporated association (Tier 2), the EC 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 of Nexia Court was appointed as auditor of Pratham AUS.

Signed in accordance with a resolution of the Board:

Chairperson: .....  
Sarita Chand

Dated: 19/12/2018

# Pratham AUS Incorporated

ABN: 82 374 145 565

## Statement of Income and Expenditure

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Income</b>			
Fundraising event income		19,968	8,588
Donations received		18,596	13,650
Membership fees		-	-
Interest income		-	5
<b>Total income</b>		<b>38,564</b>	<b>22,243</b>
<b>Less: cost of sales</b>			
Fundraising costs		6,857	4,200
<b>Total cost of sales</b>		<b>6,857</b>	<b>4,200</b>
<b>Gross profit</b>		<b>31,707</b>	<b>18,043</b>
<b>Expenses</b>			
Accounting fees		-	-
Advertising & Promotion		216	-
Bank fees		24	110
Donations – Pratham India		24,800	25,000
<b>Total expenses</b>		<b>25,040</b>	<b>25,110</b>
<b>Net surplus/(deficit) for the year</b>		<b>6,667</b>	<b>(7,067)</b>

# Pratham AUS Incorporated

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## Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	28,135	21,468
<b>TOTAL CURRENT ASSETS</b>		<b>28,135</b>	<b>21,468</b>
<b>TOTAL ASSETS</b>		<b>28,135</b>	<b>21,468</b>
<b>LIABILITIES</b>			
		-	-
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>NET ASSETS / (LIABILITIES)</b>		<b>28,135</b>	<b>21,468</b>
<b>EQUITY</b>			
Current year earnings		6,667	(7,067)
Retained earnings		21,468	28,535
<b>TOTAL EQUITY</b>		<b>28,135</b>	<b>21,468</b>

# Pratham AUS Incorporated

ABN: 82 374 145 565

## Notes to the Financial Statements

For the year ended 30 June 2018

### 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 directors have 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.



# Pratham AUS Incorporated

ABN: 82 374 145 565

## Notes to the Financial Statements

For the year ended 30 June 2018

### Note 2 Cash and cash equivalents

	2018	2017
Commonwealth Bank of Australia – Society Cheque Account #766	435	652
Commonwealth Bank of Australia – Society Cheque Account #864	27,700	20,816
	<b>28,135</b>	<b>21,468</b>

### Note 3 Events After the Balance Sheet Date

No matter or circumstance has arisen since 30 June 2018 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:

	2018 \$	2017 \$
Gross proceeds from fundraising activities:		
Fundraising events	19,968	8,588
Donations received	18,596	13,650
Membership fees	-	-
<b>Total</b>	<b>38,564</b>	<b>22,328</b>
Less total direct cost of fundraising activities:		
Fundraising costs	6,857	4,200
<b>Total</b>	<b>6,857</b>	<b>4,200</b>
Net surplus from fundraising events	<b>31,707</b>	<b>18,038</b>

# Pratham AUS Incorporated

ABN: 82 374 145 565

## Notes to the Financial Statements For the year ended 30 June 2018

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

Net surplus from fundraising events 32,120

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

<b>(iii) Comparisons of certain monetary figures and percentages</b>	2018 \$	2018 %	2017 \$	2017 %
Total cost of fundraising/gross income from fundraising	<u>6,857</u> 38,564	18	<u>4,200</u> 22,328	19
Net surplus from fundraising/gross income from fundraising	<u>31,707</u> 38,564	82	<u>18,037</u> 22,328	81
Total cost of services/total expenditure	<u>240</u> 25,040	1	<u>110</u> 4,200	3
Total cost of services/total income received (net surplus from fundraising)	<u>240</u> 31,707	1	<u>11</u> 18,037	1

# Pratham AUS Incorporated

ABN: 82 374 145 565

## Declaration by Committee

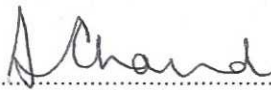
### For the year ended 30 June 2018

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 2018 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

Treasurer:   
Saeed Mirzakhani

Dated: 19/12/2018

# **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 2018, 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**

ABN: 82 374 145 565

## **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 2018 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 2018;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2017 to 30 June 2018, 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 2017 to 30 June 2018 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**

PO Box H195

Australia Square, NSW 1215

Dated 19 December 2018

# **Pratham AUS Incorporated**

ABN: 82 374 145 565

## **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 2018** 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

Date: 19 December 2018