

INDIGO FOUNDATION INC.
ABN: 81 765 707 413

**FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2020**

INDIGO FOUNDATION INC.

ABN: 81 765 707 413

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**INDIGO FOUNDATION INC.
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**COMMITTEE'S REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Your Committee Members submit the financial report of Indigo Foundation Inc. for the financial year ended 30 June 2020.

Committee Members

The names of Committee Members throughout the year and at the date of this report are:

Lyla Rogan - Chairperson	Shirley Randell
Ronald Switzer - Treasurer	Gwyneth Graham
Robin Brown - Secretary	Fyfe Strachan
Leigh Cupitt	
Bianca Crocker	
Christine Edwards	

Principal Activities

The principal activities of the association during the financial year were providing relief to people in developing countries.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The net surplus for the 2020 financial year amounted to \$15,492 (2019: \$23,098).

Signed in accordance with a resolution of the Members of the Committee.

Dated this 11th day of October 2020

Lyla Rogan (Chairperson)

Ronald Switzer (Treasurer)

INDIGO FOUNDATION INC.
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BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	448,540	353,484
Trade and other receivables	3	9,000	3,709
Inventory		4,228	3,552
Other assets	4	1,602	2,051
TOTAL CURRENT ASSETS		<u>463,370</u>	<u>362,796</u>
TOTAL ASSETS		<u>463,370</u>	<u>362,796</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	16,455	15,999
Employee provisions	6	9,324	10,142
Deferred revenue	7	214,438	128,716
Other liabilities	8	-	278
TOTAL CURRENT LIABILITIES		<u>240,217</u>	<u>155,135</u>
TOTAL LIABILITIES		<u>240,217</u>	<u>155,135</u>
NET ASSETS		<u>223,153</u>	<u>207,661</u>
MEMBERS FUNDS			
Retained Surplus		207,661	184,563
Current Year Surplus / (Deficit)		15,492	23,098
TOTAL MEMBERS' FUNDS		<u>223,154</u>	<u>207,661</u>

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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
INCOME		
Contributions (Members)	173	-
Donations Received	278,604	347,682
Grant Received	36,500	14,250
Fundraising Activities	4,915	94,909
Interest	836	1,727
COVID-19 Government Subsidy	37,000	-
	<u>358,027</u>	<u>458,568</u>
EXPENDITURE		
Administration Expenses	17,769	12,702
Advertising and Promotion	2,224	5,647
Audit Fees	3,650	3,600
Bank Charges	760	770
Community Development Support	171,877	252,231
Communication Expenses	872	-
Organisational Support	-	10,199
Fundraising Costs	3,187	39,168
Gateway Provider Fees	3,570	480
Insurance	4,300	4,079
Postage, Print and Stationery	4,726	3,749
Human Resources Expenses	111,781	85,042
Superannuation Expenses	10,012	8,605
Provision for Annual Leave	7,807	8,879
Training Expenses	-	319
	<u>342,535</u>	<u>435,470</u>
Current Year Surplus / (Deficit)	<u>15,492</u>	<u>23,098</u>
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>207,661</u>	<u>184,563</u>
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR	<u>223,153</u>	<u>207,661</u>

INDIGO FOUNDATION INC.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds \$	Total \$
Balance as at 1st July 2018	184,563	184,563
Surplus/ (Deficit) for the year	23,098	23,098
Balance as at 30th June 2019	207,661	207,661
Balance as at 1st July 2019	207,661	207,661
Surplus/ (Deficit) for the year	15,492	15,492
Balance as at 30th June 2020	223,154	223,154

INDIGO FOUNDATION INC.
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from membership		173	-
Donations received		364,325	340,522
Grant received		36,500	14,250
Receipts from fundraising activities		(1,051)	89,367
Payments to partner organisations and suppliers		(342,726)	(427,902)
Interest received		836	1,727
COVID-19 Government Subsidy		37,000	-
Net cash provided by (used in) operating activities	9	95,057	17,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by (used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		-	-
Net increase/(decrease) in cash held		95,057	17,964.00
Cash at the beginning of the financial year		353,484	335,520
Cash at the end of the financial year	9	448,540	353,484

The accompanying notes form part of these financial statements

INDIGO FOUNDATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2009 (NSW)*. The Committee has determined that the Association is not a reporting entity.

The financial statements have been prepared on an accruals basis, except the cash flow statement, and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

a. Income Tax

No provision for income tax has been recognised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The entity has been granted deductible gift recipient status in accordance with Division 30 of the *Income Tax Assessment Act 1997*.

b. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

c. Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

d. Other Assets

Prepayments

Prepayments include amounts paid in advance by the entity for expenses due after the end of the reporting period.

Deposits Paid

Deposits paid include amounts paid in advance by the entity to secure the purchase of goods and/or services for a future date after the end of the reporting period.

INDIGO FOUNDATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

e. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method for interest bearing accounts held.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant or donations that must be satisfied, the Association is eligible to receive the contribution in recognition of the grant and revenue will be deferred until those conditions are satisfied.

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

f. Inventories

Inventories are measured at the lower of cost and net realisable value.

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included in the balance

h. Trade and Other Payables

Trade payables and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

i. Employee Provisions

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
NOTE 2: CASH AND CASH EQUIVALENTS	\$	\$
Cash at bank - restricted	275,295	181,674
Cash at bank - unrestricted	<u>173,245</u>	<u>171,810</u>
Total cash and cash equivalents	<u>448,540</u>	<u>353,484</u>

The restricted cash at bank represents the Relief Funds held by the Foundation that must be spent on the organisation's overseas marginalised communities support projects as part of the Foundation's Deductible Gift Recipient Status.

The unrestricted funds represent cash at bank derived from fundraising activities for which no tax deductible receipts are issued.

NOTE 3: TRADE AND OTHER RECEIVABLES

Trade Receivables	-	2,459
Other Receivables	<u>9,000</u>	<u>1,250</u>
	<u>9,000</u>	<u>3,709</u>

NOTE 4: OTHER ASSETS

GST Paid	602	612
Prepayments	<u>-</u>	<u>1,439</u>
	<u>1,602</u>	<u>2,051</u>

NOTE 5: TRADE AND OTHER PAYABLES

PAYG and Superannuation	7,319	7,378
Accrued Expenses	<u>9,136</u>	<u>8,621</u>
	<u>16,455</u>	<u>15,999</u>

NOTE 6: EMPLOYEE PROVISIONS

Provision for Annual Leave	<u>9,324</u>	<u>10,142</u>
	<u>9,324</u>	<u>10,142</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
NOTE 7: DEFERRED REVENUE	\$	\$
AEWSO - Afghan Educated Women's Organisation	-	1,473
Africa Projects - Namibia and Rwanda	77,707	77,707
Afghanistan Projects	111,780	32,436
India Projects	-	-
South Sudan	-	11,400
WEC - Women's Empowerment Centre Kabul	-	5,700
Perpetual Grant for Pekka Logan Doe	24,950	-
	<u>214,438</u>	<u>128,716</u>
NOTE 8 - OTHER LIABILITIES		
GST Collected	-	278
	<u>-</u>	<u>278</u>

NOTE 9: CASH FLOW INFORMATION

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and Cash Equivalents	448,540	353,484
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Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit/(loss) after income tax	15,492	23,098
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Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries

(Increase)/decrease in trade and other receivables	(5,291)	(2,459)
Increase/(decrease) in trade and other payables	456	3,040
Increase/(decrease) in deferred revenue	85,721	(7,160)
Increase/(decrease) in other current liability	(278)	-
Increase/(decrease) in provisions	(818)	2,204
(Increase)/decrease in inventories	(675)	(3,083)
(Increase)/decrease in other assets	449	2,324
	<u>95,057</u>	<u>17,964</u>

INDIGO FOUNDATION INC.
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STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2020

The Committee has determined that the Indigo Foundation Inc. is not a reporting entity and as such the balance sheet as at 30 June 2020, the income and expenditure statement, the statement of changes in equity, the cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, have been prepared in accordance with the accounting policies appropriate to meet the needs of the members of the Indigo Foundation Inc.

The financial report has been prepared on the basis of the financial reporting requirements of a Tier 2 association under Regulation 9 of the *Associations Incorporation Regulation 2010*.

In the opinion of the Committee the financial report:

- 1 Presents fairly the financial position of the Indigo Foundation Inc. as at 30 June 2020 and its performance for the year ended on that date in accordance with the requirements of the *Associations Incorporation Act 2009 (NSW)* and other mandatory professional reporting requirements.
- 2 At the date of this statement, there are reasonable grounds to believe that the Indigo Foundation Inc. will be able to pay its debts as and when they fall due.
- 3 The accounts give a true and fair view of all the income and expenditure with respect to fundraising appeals.
- 4 The Balance Sheet gives a true and fair view of the state of affairs with respect to fund raising appeals.
- 5 The Indigo Foundation Inc. has no mortgages, charges and other securities affecting any property owned by the incorporated Association.
- 6 The provisions of the *Charitable Fundraising Act 1991 (NSW) and Regulations* under the Act and the conditions attached to the fundraising authority have been complied with.
- 7 The surplus derived by the Foundation for the year from fundraising appeals has been retained as cash to be applied against ongoing and future projects of the Foundation.
- 8 The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* .

This statement is made in accordance with a resolution of the Committee, subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013* and is signed for and on behalf of the Committee by:

Lyla Rogan (Chairperson)

Ronald Switzer (Treasurer)

Dated this 11th day of October 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDIGO FOUNDATION INCORPORATED**

Report on the Audit of the Financial report

We have audited the financial report of Indigo Foundation Incorporated, being a special purpose financial report, which comprises the balance sheet as at 30th June 2020, the income and expenditure statement, the statement of changes in equity and the cashflow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the Committee.

In our opinion, the accompanying financial report of Indigo Foundation Incorporated is in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act")* and *Associations Incorporation Act 2009 (NSW)*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to:

- 1 Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the basis of fulfilling the Association's financial reporting responsibilities under the ACNC Act and Associations Incorporation Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.
- 2 The impact of COVID-19 pandemic on economic activity globally, combined with the uncertainties it has created locally has created operational challenges for the association. At the date of signing this financial report, the directors have considered the potential impact of the COVID-19 pandemic on the association's financial position and have determined that no material adjustments are required to be disclosed in the financial report for the year ended 30th June 2020;

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF INDIGO FOUNDATION INCORPORATED**

Our opinion is not modified in respect of the above matters.

Responsibilities of the Committee for the Financial Report

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *ACNC Act* and the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association'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 Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association'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 the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF INDIGO FOUNDATION INCORPORATED**

- Conclude on the appropriateness of the Committee's 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 Association'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 Association 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 the Committee 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.

Report on Other Legal and Regulatory Requirements

In accordance with the *Charitable Fundraising Act 1991* the Indigo Foundation Incorporated must meet the following requirements:

- The accounts and associated records must be properly kept in accordance with the Act and the regulations;
- Money received as a result of fundraising appeals conducted during the year must be properly accounted for and applied in accordance with this Act and the regulations; and
- The incorporated Association must remain solvent.

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF INDIGO FOUNDATION INCORPORATED**

In our opinion the Committee of the Indigo Foundation Incorporated has satisfied their obligations as required under the *Charitable Fundraising Act 1991* and *Charitable Fundraising Regulation 2008*.

Dated in North Parramatta on the day of October 2020.

**McCARTHY SALKELD
CHARTERED ACCOUNTANTS**

**Jane Perry FCA
Director**

Ground Floor, Suite 3
410 Church Street
North Parramatta NSW 2151