



Many Rivers Microfinance Limited Annual Financial Report 2016

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Many Rivers Microfinance Limited

Level 7, 580 George Street

Sydney, NSW 2000

Tel: (02) 9217 1067

ABN 58 128 486 788

Directors' Report

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

The Directors present their report for Many Rivers Microfinance Limited (the Company) for the financial year ended 30 June 2016 and the Auditor's report thereon.

1. Directors

The Directors of Many Rivers Microfinance Limited (the Company) at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Mr Peter Colin Cadwallader, B.Ec, FCA Chairman, Independent, Non-Executive Director	Appointed as a Director and Chairman of the Board on 15 November 2007. Peter is the owner and Chief Executive of Intercontinental Shipping and Investment Group. He was a Board member of Opportunity International Australia for a number of years.
Mr John Andrew Burn, B.Sc, EMBA Managing Director and Chief Executive Officer	Appointed as Managing Director and Chief Executive Officer on 11 April 2014. John joined Many Rivers in October 2009. He has more than 20 years commercial banking experience, including 10 years across a range of senior leadership roles.
Mr David Thomas Bussau AM Independent, Non-Executive Director	Appointed as a Director on 15 November 2007. David is a pioneer of microfinance, having founded Opportunity International and has been working in microenterprise development for more than 30 years. He has been recognised for his work in international development being awarded the Order of Australia; named the Ernst & Young Entrepreneur in 2003 and awarded Senior Australian of the Year in 2008.
Mr Ronald Leigh Coleman Independent, Non-Executive Director	Appointed as a Director on 15 November 2007. Leigh has over 30 years' experience in microfinance, heading up the majority of Opportunity International's program work as their Asia Regional Director for 20 years.
Mr Ross Granville Hawkey, BBS, CA Independent, Non-Executive Director	Appointed as a Director on 15 November 2007 at which time Ross was Executive Leader, Corporate Services at Mission Australia. He is now a senior executive with a successful corporate career in the not-for-profit, private and public sectors.
Mr Sinclair Taylor, LLB Independent, Non-Executive Director	Appointed as a Director on 24 August 2012. Sinclair is CEO of the Westpac Foundation for Westpac Banking Corporation. He pioneered and continues to lead Westpac's strategic alliance with Many Rivers Microfinance. He is an experienced commercial banker and was the founding CEO of Westpac's Davidson Institute.

Directors' Report

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1. Directors (continued)

Mr Terence Winters, FAICD Independent, Non-Executive Director	Appointed as a Director on 23 September 2010. He is the Chairman of Seeing Machines Limited, Converge International Pty Ltd, Intelledox Pty Ltd and is a Director of Redflex Holdings Limited, Future Fibre Technologies Ltd and Australian Home Care Services Pty Ltd. He has over 20 years' experience in operation and governance of microfinance organisations with Opportunity International Network.
Ms Catherine Yeomans, LLB Independent, Non-Executive Director	Appointed as a Director on 21 February 2013. Catherine is the Chief Executive Officer of Mission Australia. Catherine has previously held positions in senior management roles with Thomson Reuters and LexisNexis. Catherine is a Director of Mission Australia Housing, Mission Australia Housing (Victoria), Mission Australia Early Learning, Mission Providence Pty Ltd.

2. Company secretary

Mrs Glenda Chang was appointed to the position of Company Secretary on 6 April 2016.

3. Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Number of meetings attended	Number of meetings held during the time the Director held office during the year
Mr Peter Colin Cadwallader	6	6
Mr John Andrew Burn	6	6
Mr David Thomas Bussau	4	6
Mr Ronald Leigh Coleman	4	6
Mr Ross Granville Hawkey	5	6
Mr Sinclair Taylor	4	6
Mr Terence Winters	6	6
Ms Catherine Yeomans	5	6

Directors' Report

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4. Corporate governance

Many River Microfinance is committed to proper and effective corporate governance arrangements. As a registered charity regulated by Australian Charities and Not-for-profit Commission (ACNC), Many River Microfinance applies the ACNC Governance Standards and is guided by and applies, where practicable and relevant to do so, the Corporate Governance Principles and Recommendations established by the Australian Security Exchange Corporate Governance Council.

The Company's full corporate Governance Statement is included on pages 29 to 31 of this report.

5. Principal activities and objectives

The Company has, as its dominant purpose, to make provision for the direct relief of poverty, suffering, distress, misfortune, or helplessness of persons in Australia. In achieving its dominant purpose, the Company:

- Assists individuals (clients) in poverty to acquire capital for a small enterprise so that they may earn a regular income and eliminate their dependence on the welfare system;
- Informs, assists and mentors clients in the operations of their enterprises;
- Assists clients to achieve an holistic transformation in their lives by becoming self-supporting, thereby increasing their self-worth and self-respect; and
- Strengthens the wellbeing of families and communities of clients through the promotion of sustainable self-employment.

The Company provides relief to Australian communities, groups and individuals, which are poor, underprivileged, or marginalised in their standard of living, and in particular has a special focus on Indigenous Australians.

The Company has received financial and non-financial support from a number of organisations and private individuals during the year including the following:

Philanthropic and private foundations

Armstrong Trust, Ash Utting, CAMYRIS Foundation, Eureka Benevolent Foundation, Greatorex Foundation, Moller Foundation, Portland House Foundation, Regal Foundation, Sue Pickles, Tim Fairfax Family Foundation, The Trust Company, Vincent Fairfax Family Foundation and Yugalbar Foundation.

Corporate donations and grants

Accenture Foundation, Asia Pacific LNG, Atlas Iron, BHP Billiton Iron Ore, Chevron Australia, Coal and Allied Aboriginal Development Consultative Committee, Count Charitable Foundation, Developing East Arnhem Land, Evolution Mining, NCIG, Origin Energy, Port Waratah Coal Services, Rio Tinto Iron Ore, Rio Tinto Argyle, The Chevron Operated Gorgon and Wheatstone Projects, Westpac Banking Corporation and Woodside Energy.

Directors' Report

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5. Principal activities and objectives (continued)

Government

Department of Social Services (Community Development Financial Institutions Pilot), Department of Prime Minister and Cabinet Indigenous Affairs Group (Indigenous Advancement Strategy), Australian Small Business Advisory Services Programme and Western Australia Government (Small Business Development Corporation).

Indigenous corporations

Ely Bauxite Mine Beneficiaries Corporation, Gelganyem Trust, IBN Corporation and Morrgul.

Non-financial support

Valuable non-financial support was also received from Accenture, Gadens, Mission Australia and Squire Patton Boggs.

The Directors acknowledge and thank all these supporters.

6. Operating and financial review

6.1 Operating results

The operating surplus of the Company for the year was \$2,420,008 (2015: \$82,141). In 2016, total revenue was \$7,142,969 (2015: \$4,011,654), in the same period, total expenses were \$4,722,961 (2015: \$3,929,513).

The Company provides microenterprise development support to assist clients to establish and expand their businesses. During the year, the Company assisted 232 new clients to establish or expand their businesses, of which 160 required loans and 72 were able to commence without a loan. 254 loans advanced to new and existing clients during the year totalled \$1,283,948. As at 30 June 2016, the Company was also actively meeting and business planning with 478 prospective clients.

Since commencement, the Company has provided (itself or facilitated through Westpac) 1,055 loans totalling \$5,661,929. As at 30 June 2016, there were 432 loans outstanding with balances totalling \$1,653,986, of which \$1,024,953 resided on the Company's *Statement of Financial Position* and \$629,033 resided on Westpac's *Statement of Financial Position*.

6.2 Review of Operations

in AUD

	2016	2015
Revenue	7,142,969	4,011,654
Expenditure	4,722,961	3,929,513
Surplus	2,420,008	82,141

Significant impacts on the 2016 results were:

- Field officers increased from 14 to 25 during the year; and
- Total staff increased from 25 to 42.

Directors' Report

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

7. Events subsequent to reporting

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

8. Likely developments

In the opinion of the Directors, there are no likely changes in the operations of the Company that will adversely affect the results of the Company in subsequent financial years.

9. Directors' interests

John Andrew Burn is engaged as Chief Executive Officer and Managing Director via an employment contract through Mission Australia.

The Company utilises the service of Intelledox Pty Ltd. These services are provided by Intelledox on a discounted price basis. Terence Winters is the chairman of Intelledox and has the potential to benefit from the services provided to the Company.

No other Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company with the Director or with a firm of which they are a member, or with a company in which they have substantial financial interest.

10. Indemnification and insurance of officers and Directors

The Company is a company limited by guarantee. Each of the Directors, other than Catherine Yeomans, is also a member of the Company and each of those Directors, as a member, is liable to the extent of their undertaking under the Constitution.

To the extent permitted by law, the Company indemnifies every person who is or has been a Director against any liability to any person incurred while acting in that capacity in good faith and against costs and expenses incurred by that person in that capacity in defending legal proceedings and ancillary matters.

Mission Australia, insures for the benefits of the Directors of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director other than conduct involving a wilful breach of duty. Premiums were paid for each of the Directors listed on page 2 and page 3 as disclosed in the Directors' Report through Mission Australia. Mission Australia charges a fee to cover these costs.

The insurance is in the normal course of business and grants insurance for liabilities permitted to be indemnified by the Company under Section 199 of the *Corporations Act 2001*. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

Directors' Report

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

11. Audit services

The cost of the audit of the Company is borne by the Company.

12. Performance measurements

The Company monitors its performance against the budget, which is approved by the Board of Directors prior to commencement of the financial year. The Board uses this information for future planning, tracking progress over time and determining whether agreed objectives or standards have been met.

13. Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for financial year ended 30 June 2016.

14. Registered office

The registered office and principal place of business is Level 7, 580 George Street, Sydney, New South Wales.

15. Founding purpose

The Company exists to lift underprivileged Indigenous and other Australians out of poverty, and in fulfilling this mission, to be inspired by the person and work of Jesus Christ.

16. Notice of meeting

The Annual General Meeting of the Company will be held on 16 December 2016 at Level 7, 580 George Street, Sydney, New South Wales where this report will be presented.

This report is made in accordance to a resolution of the Directors:



P C Cadwallader
Chairman

Sydney, 21 October 2016



J A Burn
Managing Director

Sydney, 21 October 2016



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Many Rivers Microfinance Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Anthony Travers
Partner

KPMG Sydney

21 October 2016

Statement of Profit or Loss and Other Comprehensive Income

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

For the year ended 30 June 2016

<i>In AUD</i>	Note	2016	2015
Revenue from grants & donations	7	6,870,255	3,810,302
Other income	7	53,997	88,000
Total revenue for the year		6,924,252	3,898,302
Personnel expenses	8	(3,534,305)	(2,853,579)
Occupancy and accommodation expenses		(185,527)	(211,098)
Transport and equipment hire		(428,350)	(396,046)
Doubtful debts expense		(134,216)	(185,674)
Communications		(183,990)	(110,576)
Insurance		(45,035)	(33,954)
Functions and catering		(11,752)	(7,904)
Other expenses from ordinary activities		(199,786)	(130,643)
Total expenses for the year		(4,722,961)	(3,929,474)
Results from operating activities		2,201,291	(31,172)
Finance income	9	218,717	113,352
Finance costs	9	-	(39)
Net finance Income		218,717	113,313
Net surplus for the year		2,420,008	82,141
Total comprehensive income for the year		2,420,008	82,141
Net surplus attributable to:			
Members of the Company		2,420,008	82,141
Net surplus for the year		2,420,008	82,141
Total comprehensive income attributable to:			
Members of the Company		2,420,008	82,141
Total comprehensive income for the year		2,420,008	82,141

Statement of Financial Position

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

As at 30 June 2016

in AUD

Assets

Cash and cash equivalents
Loans and other receivables
Prepayments

Total current assets

Total assets

Liabilities

Trade and other payables
Employee benefits
Deferred income

Total current liabilities

Deferred income
Employee benefits

Total non-current liabilities

Total liabilities

Net assets

Equity

Settled sum
Accumulated surplus

Total equity

Note	2016	2015
10	9,251,181	9,112,569
11	529,043	419,537
	27,644	5,240
	9,807,868	9,537,346
	9,807,868	9,537,346
12	510,487	689,677
14	208,485	186,333
13	2,615,067	2,838,848
	3,334,039	3,714,858
13	1,787,879	3,575,758
14	56,427	37,215
	1,844,306	3,612,973
	5,178,345	7,327,831
	4,629,523	2,209,515
15	10	10
	4,629,513	2,209,505
	4,629,523	2,209,515

Statement of Changes in Equity

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

For the year ended 30 June 2016

<i>in AUD</i>	Settled Sums	Accumulated surplus	Total equity
Balance at 1 July 2014	10	2,127,364	2,127,374
<i>Total comprehensive income for the year</i>			
Surplus for the year	-	82,141	82,141
Total comprehensive income for the year	-	82,141	82,141
Balance at 30 June 2015	10	2,209,505	2,209,515
Balance at 1 July 2015	10	2,209,505	2,209,515
<i>Total comprehensive income for the year</i>			
Surplus for the year	-	2,420,008	2,420,008
Total comprehensive income for the year	-	2,420,008	2,420,008
Balance at 30 June 2016	10	4,629,513	4,629,523

Statement of Cash Flows

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

For the year ended 30 June 2016

in AUD

	Note	2016	2014
Cash flows from operating activities			
Cash receipts from operating activities		5,130,357	10,039,799
Cash paid to suppliers and employees		(4,949,021)	(4,626,180)
Cash generated from operations		181,336	5,413,619
Interest received		218,717	113,352
Interest paid		-	(39)
Net cash from operating activities	10	400,053	5,526,932
Cash flows from financing activities			
Repayment / (Proceeds) from borrowings - Mission Australia		(261,441)	287,184
Net cash (used in) / from financing activities		(261,441)	287,184
Net increase in cash and cash equivalents		138,612	5,814,116
Cash and cash equivalents at 1 July		9,112,569	3,298,453
Cash and cash equivalents at 30 June	10	9,251,181	9,112,569

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

1. Reporting entity

Many Rivers Microfinance Limited (the Company) is a not-for-profit company and is limited by guarantee.

The Company is domiciled in Australia. The address of the Company's registered office is Level 7, 580 George Street, Sydney, New South Wales 2000, Australia.

2. Basis of preparation

2.1 Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 21 October 2016.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost and going concern basis.

2.3 Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.5 Change in accounting policies

In the current year, the Company has adopted all of the following and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period:

- AASB 2015-3 *Amendments to Australian Accounting standards arising from the withdrawal of AASB 1031 Materiality (effective 1 July 2015)*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012-2014 Cycle*

The adoption of these new and revised Standards and Interpretations did not have any material financial impact on the amounts recognised and the disclosures presented in the financial statements of the Company.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

i. Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables and debts security issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the *Statement of Financial Position* when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

ii. Non-derivative financial assets - Measurement

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

iii. Non-derivative financial liabilities - Measurement

Non-derivative financial liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

3.2 Employee benefits

i. Short-term benefits

Short-term employee benefits are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

3. Significant accounting policies (continued)

3.2 Employee benefits (continued)

ii. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

iii. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

3.3 Revenue recognition

i. Revenue from rendering services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the goods and service tax (GST).

ii. Donations

Donations are recognised in the income statement as revenue in the year received.

iii. Government grants

All unconditional government grants are recognised in profit or loss as other income when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

3.4 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contain a lease, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

3. Significant accounting policies (continued)

3.4 Leases (continued)

ii. Leased payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

3.5 Finance income and expense

The Company's finance income and finance cost includes:

- interest income on funds invested and;
- interest expenses.

Interest income or expenses are recognised using the effective interest method.

3.6 Income tax

The Company is appropriately endorsed (as required by the Australian Tax Office) from the date of incorporation, for income tax exemptions.

3.7 Provisions

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.8 New standards and interpretations not yet adopted

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

- *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards-Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards-Conceptual Framework, Materiality and Financial Instruments(Part C-Financial Instruments), AASB 2014-1 Amendments to Australian Standards, AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), and AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (effective 1 January 2018)*
- *AASB 15 Revenue from Contracts with Customers, and AASB 2014-15 Amendments to Australian Accounting Standards arising from AASB15 (effective 1 January 2017)*

It is anticipated that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Trade and other receivables

Trade debtors are carried at fair value, which is estimated as the present value of future cash flows. The ability to collect debts is assessed at balance date and specific provisions are made for any doubtful accounts.

4.2 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

5. Financial risk management

5.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included throughout the financial statements.

5.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

5. Financial risk management (continued)

5.3 Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from clients.

i. Loan and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. The Company's client base consists of business clients to which it provides microfinance.

An allowance for impairment is recognised when it is expected that any receivables are not collectable. The Company does not normally require any collateral in respect of loan and other receivables.

Exposure to credit risk

Prior to February 2010, clients were provided business loans by the Company. Since February 2010, clients have been provided access to unsecured business loans through the Company's strategic relationship with Westpac Banking Corporation (Westpac). The agreement with Westpac provides that the Company guarantees all loans provided to clients by Westpac. Where a loan provided by Westpac is more than 90 days in arrears, the Company becomes legally bound to pay this loan to Westpac on request. The legal ownership of the loan is assigned to the Company and the loan balance is reflected as a loan receivable on the Company's *Statement of Financial Position*.

Loan receivables on the Company's *Statement of Financial Position* as at 30 June 2016, include client loans provided by the Company and other loans initially provided by Westpac but subsequently transferred to the Company.

Provision for doubtful debts is assessed monthly based on client repayment frequency over the previous three months, with consideration given to both the Company's loans and the loans provided through Westpac.

Since commencement, the Company has provided (itself or facilitated through Westpac) 1,055 loans totalling \$5,661,929. As at 30 June 2016, there were 432 loans outstanding with balances totalling \$1,653,986, of which \$1,024,953 resided on the Company's *Statement of Financial Position* and \$629,033 resided on Westpac's *Statement of Financial Position*.

The provisions for bad debts at 30 June 2016 totalled \$518,478 (refer Note 11), of which \$468,400 related to loans held by the Company and \$50,078 for loans held by Westpac. The Company's maximum exposure to credit risk at the reporting date was:

- \$1,047,521 being loans and other receivables on the Company's Balance Sheet before allowing for provision for doubtful debts of \$518,478; and
- \$629,033 being loans to clients provided by Westpac currently recorded as a receivable in Westpac's accounting books.

As noted above, if the loan receivable in Westpac's accounting books become more than 90 days in arrears, Many Rivers Microfinance is legally bound to pay this loan to Westpac if and when requested. Hence, disclosing this as a credit exposure provides a true and fair view to all stakeholders.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

5. Financial risk management (continued)

5.3 Credit risk (continued)

i. Loan and other receivables (continued)

Exposure to credit risk (continued)

Impairment losses

The ageing of the Company's loan and other receivables at the reporting date was:

<i>in AUD</i>	Gross 2016	Impairment 2016	Gross 2015	Impairment 2015
Not past due	342,623	-	326,163	-
Past due 0-30 days	-	-	-	-
Past due 31+ days	704,898	518,478	546,446	453,071
	1,047,521	518,478	872,609	453,071

The credit quality of trade and other receivables is assessed based on a credit policy established by the Company's Board. The Company has monitored client credit risk, by grouping trade and other receivables based on their characteristics. An analysis of the credit quality of trade and other receivables not impaired is as follows:

<i>in AUD</i>	2016	2015
Less than four years of trading history with the Company	521,587	404,650
Higher risk	7,456	14,887
	529,043	419,537

Amounts in the above table include all trade and other receivables at the reporting date that were not impaired.

Based on the Company's monitoring of client credit risk, the Company believes that, no impairment allowance is necessary in respect of trade receivables not past due.

ii. Investments

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have very high credit ratings.

5.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash or cash equivalents on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations. In addition, the Company maintains an inter-company loan account facility with Mission Australia.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

5. Financial risk management (continued)

5.4 Liquidity risk (continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments. Contractual amounts are expected payments that have not been discounted.

<i>in AUD</i>	Carrying	Contractual	Six months	Six to 12	More than
2016	amount	cash flows	or less	months	12 months
Financial liabilities*					
Trade and other payables	510,487	510,487	510,487	-	-
	510,487	510,487	510,487	-	-
2015					
Financial liabilities*					
Trade and other payables	689,677	689,677	689,677	-	-
	689,677	689,677	689,677	-	-

* Deferred income and some accruals (i.e. straight-lining of interest expense) are not financial liabilities and therefore are excluded in the analysis.

5.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

5.6 Currency risk

The Company is not exposed to any significant currency risk.

5.7 Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest-bearing financial assets and liabilities that the Company utilises. Interest-bearing financial assets are generally short-term liquid assets. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters, while optimising the return.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

6. Fundraising information

As required by the *Charitable Fundraising Act (NSW) 1991* and regulations (similar but not identical provisions exist in Queensland, Western Australia and South Australia Fundraising Acts).

6.1 Fundraising Appeals conducted during the year

Various fundraising activities were conducted during the year including appeals and events.

<i>in AUD</i>	2016	2015
(a) Gross proceeds from fundraising appeals	528,478	487,660
Less: Direct costs of fundraising appeals	(52,994)	(46,992)
Net surplus obtained from fundraising appeals	475,484	440,668
(b) Application of net surplus obtained from fundraising		
Services provided to clients	475,484	440,668

7. Revenue

<i>in AUD</i>	2016	2015
Government grants	3,105,879	751,250
Donations - Not taken through deferred income	528,478	487,660
Other grants	3,235,898	2,571,392
Other income	53,997	88,000
	6,924,252	3,898,302

8. Personnel expenses

<i>in AUD</i>	2016	2015
Wages and salaries	2,879,273	2,368,425
Other associated personnel expenses	395,881	275,444
Contributions to defined contribution plans	259,151	209,710
	3,534,305	2,853,579

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

9. Finance income and finance costs

in AUD

Recognised in profit or loss

	2016	2015
Interest Income	218,717	113,352
Finance income	218,717	113,352
Interest expense	-	(39)
Finance costs	-	(39)
Net finance income recognised in surplus	218,717	113,313

The above finance income and costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss:

Total interest income on financial assets	218,717	113,352
Total interest expense on financial liabilities	-	(39)

10. Cash and cash equivalents

in AUD

	2016	2015
Cash at bank	9,251,181	9,112,569
Cash and cash equivalents in the statement of cash flows	9,251,181	9,112,569

A government grant totalling \$5,363,637 was received in June 2015 for services to be provided from 1 July 2015 to 30 June 2018.

10.1 Reconciliation of cash flows from operating activities

in AUD

	Note	2016	2015
Cash flows from operating activities			
Surplus for the period		2,420,008	82,141
Adjustments for:			
Doubtful debt provision		65,407	123,169
Add /(less) movement in assets and liabilities:			
Change in loans and other receivables	11	(174,913)	(131,394)
Change in trade and other payables	12	82,251	7,368
Change in employee benefit	14	41,364	23,983
Change in prepayments		(22,404)	(1,024)
Change in deferred income	13	(2,011,660)	5,422,689
Net cash inflow from operating activities		400,053	5,526,932

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

11. Loans and other receivables

in AUD

Current

	2016	2015
Loan receivables	1,024,953	828,146
Other receivables	22,568	44,462
Provision for doubtful debts	(518,478)	(453,071)
	529,043	419,537

12. Trade and other payables

in AUD

Current

	2016	2015
Trade payables	121,083	38,832
Payable to Mission Australia	389,404	650,845
	510,487	689,677

The Company's exposure to liquidity risk related to trade and other payables is disclosed in Note 5.

No Security is held against the payable to Mission Australia.

13. Deferred income

A portion of grants received during the year, totalling \$2,615,067 (2015: \$2,838,848) related to services to be provided in 2017. In addition, grants received totalling \$1,787,879 (2015: \$3,575,758) related to services to be provided in 2018.

in AUD

Current

	2016	2015
Corporate and Foundation grants	673,088	830,969
Government grants	1,941,979	2,007,879
	2,615,067	2,838,848

Non-Current

Government grants	1,787,879	3,575,758
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14. Employee benefits provisions

in AUD

Current

	2016	2015
Liability for annual leave	208,485	186,333

Non-Current

Liability for long service leave	56,427	37,215
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15. Settled Sum

in AUD

	2016	2015
	10	10

The settled sum represents the initial capital settled by the founders on establishment of the entity.

Notes to the Financial Statements

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

16. Capital and reserves

16.1 Accumulated surplus

Accumulated surplus comprises an aggregate of the retained earnings, total recognised income and expenses.

17. Contingencies

The Directors are of the opinion that provisions are not required in respect of contingencies, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

18. Related party information

The Directors who held office during the financial year were:

Mr Peter Colin Cadwallader	Mr Ronald Leigh Coleman	Mr Terence Winters
Mr John Andrew Burn	Mr Ross Granville Hawkey	Ms Catherine Yeomans
Mr David Thomas Bussau	Mr Sinclair Taylor	

The subscribing Members of Many Rivers Microfinance Limited are:

Mission Australia	Mr David Thomas Bussau	Mr Sinclair Taylor
Mr Peter Colin Cadwallader	Mr Ronald Leigh Coleman	Mr Terence Winters
Mr John Andrew Burn	Mr Ross Granville Hawkey	

19. Member's guarantee

Many Rivers Microfinance Limited is a company limited by guarantee incorporated and domiciled in Australia. In the event of the Company being wound up, each Member might be liable to contribute an amount not exceeding 10 cents.

20. Auditor's Remuneration

In AUD

Audit and review services

Auditors of the Company

Audit and review of financial statements

2016	2015
17,200	-

In 2015, the cost of the audit was born by Mission Australia.

Directors' Declaration

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

Directors' Declaration

In the opinion of the Directors of Many Rivers Microfinance Limited (the Company):

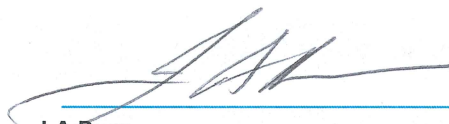
- a) the financial statements and notes set out on pages 9 to 24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Sydney, 21 October 2016.



P C Cadwallader
Chairman



J A Burn
Managing Director

Chairman's Declaration

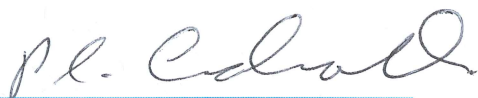
Declaration to be furnished under the *Charitable Fundraising Act 1991*. This declaration is made in accordance with Authority Conditions 7(4) and 7(5) issued by the Minister under Section 19 of the *Charitable Fundraising Act 1991*.

I, Peter C Cadwallader, Chairman of the Board together with John A Burn, Managing Director of Many Rivers Microfinance Limited declare that in our opinion:

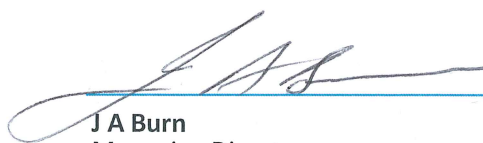
- a) the financial statements give a true and fair view of all income and expenditure of Many Rivers Microfinance Limited with respect to fundraising appeals;
- b) the *Statement of Financial Position* gives a true and fair view of the state of affairs with respect to fundraising appeals;
- c) the provisions of the *Charitable Fundraising Act 1991*, the Regulations under the Act and the conditions attached to the fundraising authority have been complied with by Many Rivers Microfinance Limited; and
- d) the internal controls exercised by Many Rivers Microfinance Limited are appropriate and effective in accounting for all income received and applied by Many Rivers Microfinance Limited from any of its fundraising appeals.

Signed:

Sydney, 21 October 2016



P C Cadwallader
Chairman



J A Burn
Managing Director



Independent audit report to the members of Many Rivers Microfinance Limited

Report on the financial report

We have audited the accompanying financial report of Many Rivers Microfinance Limited (the Company), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations and with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946* and Regulations 1947 (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the ACNC, and the Acts and Regulations and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the ACNC, the Acts and Regulations and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of a financial report that gives a true and fair view and 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. These Auditing 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the 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 performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.



In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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*.

Auditor's opinion

In our opinion the financial report of Many Rivers Microfinance Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Reporting under Charitable Fundraising (NSW) Act 1991

Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- (a) the financial report gives a true and fair view of the Many Rivers Microfinance Limited financial result of fundraising appeal activities for the financial year ended 30 June 2016;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and



- (d) there are reasonable grounds to believe that Many Rivers Microfinance Limited will be able to pay its debts as and when they fall due.

Reporting under Charitable Collections Act (WA) 1946

Audit opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Company for the year ended 30 June 2016, we have not become aware of any condition or event that constitute a material default by the Company in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, the Company, for the year ended 30 June 2016, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.

KPMG

Anthony Travers
Partner

Sydney

21 October 2016

Corporate Governance Statement

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

Corporate governance

The Board endorses the Corporate Governance Principles and Recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council. The Company is not a listed company and has no obligation to adopt these principles but is nevertheless committed to good corporate governance.

Foundations for management and oversight

The Board is the guardian of the founding purpose for which the Company was established and is accountable to members for the pursuit of that purpose and the performance of the Company.

The role of the Board is established by the Board Governance Charter, which can be viewed at manyrivers.org.au. It includes:

- Providing strategic guidance for the Company and effective oversight of management;
- Establishing the functions reserved to the Board and those delegated to the Chief Executive Officer;
- Appointing the Chief Executive Officer, approving succession plans, monitoring and evaluating the performance of the Chief Executive Officer and determining the goals and objectives for the setting of senior management remuneration policies and practices;
- Monitoring financial results and the effectiveness of risk management systems and overseeing policies governing Company operations including those for social, environmental sustainability as well as ethics and transparency; and
- Evaluating the Board's effectiveness and aspiring to excellence in corporate governance.

The Board oversees and monitors management's performance by:

- Selecting, appointing, guiding and monitoring the performance of the Chief Executive Officer;
- Formulating the Company's strategic plan together with the Chief Executive Officer and senior management;
- Approving the Company's annual budget and financial statements;
- Meeting at least six times during the year to:
 - Monitor progress in achieving the strategic plan and performance against operating and capital budgets;
 - Receive detailed financial and other reports and input from management to verify the Company's financial performance, viability, solvency and short term sustainability; and
 - Assigning responsibility to Board sub-committees to oversee particular aspects of the Company's operations and administration.
- Monitoring internal control, health and safety, risk management, compliance and quality control frameworks and management information systems as well as reviewing delegations, policies and procedures;
- Reporting to stakeholders on a regular basis, including financial reports;
- Overseeing Company compliance with relevant legislation and regulations; and
- Advocating for the Company whenever and wherever appropriate.

Corporate Governance Statement

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

Corporate governance (continued)

Foundations for management and oversight (continued)

The Board delegates responsibility for the Company's day-to-day operations and administration to the Chief Executive Officer and executive management. A schedule of delegated authority sets out financial contractual thresholds for appropriate staff levels throughout the company. No delegate is permitted to authorise an expenditure that affects them personally.

An induction process for senior executives provides an understanding of the financial position, strategies, operations, health and safety and risk-management practices as well as the respective rights, duties, responsibilities and roles of the Board and senior executives. Annual performance evaluation of senior executives has taken place during the year.

Board structure

The majority of Board members including the Chair are Independent Directors. The Company Constitution requires no less than 4 and no more than 12 Directors. There were 8 Directors at 30 June 2016:

- Six Independent, Non-Executive Directors;
- One executive of Mission Australia Group; and
- The Chief Executive Officer, who is the Managing Director.

The Board Chairman's role is articulated in the Board Governance Charter. The role includes providing leadership, facilitating effective contribution of all Directors and promoting constructive and respectful relationships between Directors and between the Board and Management.

One third of Directors must retire each Annual General Meeting with those longest in office selected. They are eligible for re-election. No employee of the Company, including the Chief Executive Officer, can be the Chair of the Company Board of Directors.

The Board's knowledge of the Company is maintained by visits to operations, management presentation and through access to continuing education programs.

The Board sets performance criteria for the Chief Executive Officer and annually assesses the outcome.

The skills, experience, and expertise of Directors and Executives are listed at manyrivers.org.au. The Board Governance Charter enables the Directors to seek independent professional advice at the expense of the Company if needed.

Timely and balanced disclosure

The Company is not subject to ASX Listing Rule disclosure requirements but adopts these principles to report to members to ensure that announcements:

- Are made in a timely manner and are factual;
- Do not omit material information whether positive or negative; and
- Are expressed in a clear and objective manner.

Corporate Governance Statement

Annual Financial Report 30 June 2016 | Many Rivers Microfinance Limited

Corporate governance (continued)

Respecting rights of members

The Company does not have shareholders but does have members. Open, regular, and timely communication to members is made using electronic and other means. This includes providing the Annual Report to members prior to the Annual General Meeting. The external auditor attends the meeting and is available to answer member questions about the conduct of the audit, the status of internal control and the preparation and content of the Auditor's report.

The Company has many stakeholders, including clients and their families, donors, staff, the broader community, suppliers and government agencies that provide funds and regulate operations. The Company adopts a consultative approach in dealing with stakeholders. The Company is involved in not-for-profit forums, conducts research, receives feedback from forums and regular surveys, ensures government at all levels are aware of concerns and achievements and remains abreast of industry developments.

Recognising and managing risk

The Board is responsible for oversight of material business risk. Oversight includes ensuring the establishment, implementation and annual review of the Company's risk-management system designed to protect reputation and manage risks that may preclude goals and objectives from being achieved or opportunities to be missed. Management has established and implemented a risk-management system that regularly assesses monitors and manages material operational, financial reporting and compliance risks.

The Company is dedicated to social responsibility in the very nature of its activities and is conscious of its environmental impact. Energy and water saving initiatives and recycling mechanisms are in use and environmentally sustainable practices are continually under review. Environmental risks are included in risk assessments conducted during the year. The Company is not subject to any significant environmental legislation.

A risk management policy and framework has been implemented and is embedded into existing management processes and procedures. There are targets, objectives, milestones, and performance criteria that are assessed regularly. Key risks include securing ongoing funding for our work; credibility and reputational damage potential; retaining high-quality skilled staff; client, staff and contractor safety; fraud or theft exposures; environmental damage to assets; and capacity to respond to change and funding obligations.

Executive management reports to the Board and gives assurance that there is a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Remunerating fairly and responsibly

Directors serve as Board members of the Company on a voluntary basis and receive no Director's fees. The Chief Executive Officer of the Company is remunerated for his work in leading the management team but not for his duties as Director. Reimbursement is made to Directors for reasonable expenses directly related to Board activities such as travel, accommodation, and meals. The Board sets remuneration strategies for the Chief Executive Officer and senior executives.