

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**AL-IHSAN FOUNDATION INTERNATIONAL LIMITED
ABN 53 168 960 361**

**Financial Report
for the Year Ended 30 June 2018**

Contents

Director's Report

Auditor's Independence Declaration

Statement of Profit and Loss and Other Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash flows

Notes to the Financial Statements

Director's Declaration

Fundraising Activities Declaration

Independent Auditor's Report

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2018.

Directors

The names of each person who has been a director during the year and to the date of this report are:

- Ahmed Dannoun
- Ihssan Wehbe
- Gezim Recaj

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Commencement of operations

The company was registered with Australian Charities and Not-for-profits Commission on 1 June 2015 and began its trading operations in September 2015.

Principal Activities

The principal activity of the company during the financial year was maintaining and operating a permanent and active not-for-profit public benevolent relief organisation.

Short-term and Long-term Objectives

The company's objectives are to:

- To provide local and international aid
- To serve those in need regardless of race, religion, social background, age, health or political opinions.
- To work with and assist people in need whilst respecting their dignity, sharing our hope and encouraging them to take control of their own future.
- To provide charity and any form of help that alleviates suffering or deprivation, and promotes human dignity and personal integrity in all their dimensions.
- To promote informed discussion on the plight of those in need and to advocate improved services and facilities for them; and
- Respond to the needs of those in the community who are unfortunate or helpless who are otherwise in need of general assistance.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- To build and maintain orphan programs throughout the world.
- Build and maintain community and youth programs
- To build and maintain special need programs (and where necessary, special needs amenities, facilities or care centers).
- To relieve sickness, suffering or distress especially for the casualties of war
- To build and maintain schooling programs (and where necessary, places of higher education)
- To empower communities through education and self-sustainability programs

DIRECTORS' REPORT

Information on Directors

- Ahmed Dannoun** – Director
- Qualifications – Has been in the field of telecommunications for over 11 years with 6 of those years as Operations Manager.
- Experience – Has 13 years' experience working with youth.
Has established communal educational programs and services.
- Special Responsibilities – Administrator and Public Officer of Al-Ihsan Foundation
-
- Ihssan Wehbe** – Director
- Qualifications – Is also a director for a leading Islamic Community organisation in Sydney
- Experience – Has been working with and engaging the community since 1998.
Has been in the field of humanitarian aid for over 15 years
- Special Responsibilities – Lead and manage the organisation in a forward direction in all aspects.
-
- Gezim Recaj** – Director
- Qualifications – Has been in the field of I.T and audio engineering for over 15 years
- Experience – Has been working with his local community for over 14 years.
Has established communal educational programs and services.
- Special Responsibilities – Is responsible and oversight of for the organisations IT&T.

Meetings of Directors

During the financial year, 15 meetings of directors were held. Attendances by each director were as follows:

| | Number eligible to attend | Number attended |
|---------------|---------------------------|-----------------|
| Ahmed Dannoun | 15 | 15 |
| Ihssan Wehbe | 15 | 15 |
| Gezim Recaj | 15 | 15 |

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$4.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Ahmed Dannoun
Director

Dated this 25th day of March 2019

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, and as auditor for the audit of Al-Ihsan Foundation International Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of 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.

This declaration is in relation to Al-Ihsan Foundation International Limited during the year.

FE Audit Pty Limited



.....
Shakeel Khan
Partner

Date: 25 March 2019

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

| | Note | 2018 | 2017 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Revenue | 2 | 4,731,639 | 3,819,617 |
| Project expenses | | (1,523,716) | (1,376,129) |
| Advertising | | (26,782) | (23,524) |
| Bank and merchant charges | | (11,789) | (6,394) |
| Depreciation | | (20,499) | (4,590) |
| Printing, postage and stationery expenses | | (6,656) | (19,269) |
| Occupancy expenses | | (52,962) | (45,840) |
| Other expenses | | (233,384) | (142,480) |
| Salaries and wages expenses | | (284,942) | (87,436) |
| Current year surplus before income tax | 2 | <u>2,570,909</u> | <u>2,113,955</u> |
| Income tax expense | | - | - |
| Net current year surplus | | <u>2,570,909</u> | <u>2,113,955</u> |
| Net current year surplus attributable to members of the entity | | <u>2,570,909</u> | <u>2,113,955</u> |

The accompanying notes form part of these financial statements.

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

| | Note | 2018 | 2017 |
|---------------------------------------|-------------|------------------|------------------|
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash on hand | 3 | 4,636,726 | 2,293,079 |
| Accounts receivable and other debtors | 4 | 133,000 | 60,500 |
| Other assets | 5 | 186,241 | 163,714 |
| TOTAL CURRENT ASSETS | | 4,955,967 | 2,585,759 |
| TOTAL NON CURRENT ASSETS | | | |
| Property, Plant And Equipment | 6 | 244,976 | 42,044 |
| TOTAL NON CURRENT ASSETS | | 244,976 | 42,044 |
| TOTAL ASSETS | | 5,200,943 | 2,559,337 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and other payables | 7 | 79,160 | 8,463 |
| TOTAL CURRENT LIABILITIES | | 79,160 | 8,463 |
| TOTAL LIABILITIES | | 79,160 | 8,463 |
| NET ASSETS | | 5,121,783 | 2,550,874 |
| EQUITY | | | |
| Retained surplus | | 5,121,783 | 2,550,874 |
| TOTAL EQUITY | | 5,121,783 | 2,550,874 |

The accompanying notes form part of these financial statements.

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

| | Retained Surplus |
|---|-----------------------------|
| | \$ |
| Balance at 1 July 2016 | 436,919 |
| Comprehensive income | |
| Surplus for the year attributable to members of the entity | 2,113,955 |
| Other comprehensive income for the year | |
| Total comprehensive income attributable to members of the entity | 2,113,955 |
| Balance at 30 June 2017 | 2,550,874 |
| Comprehensive income | |
| Surplus for the year attributable to members of the entity | 2,570,909 |
| Other comprehensive income for the year | - |
| Total comprehensive income attributable to members of the entity | 2,570,909 |
| Balance at 30 June 2018 | 5,121,783 |

The accompanying notes form part of these financial statements.

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

| | Note | 2018 | 2017 |
|---|-------------|------------------|------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from donations, bequests and raffles | | 4,659,139 | 3,835,112 |
| Interest Received | | - | 5 |
| Payments to suppliers and employees | | (2,092,060) | (1,839,373) |
| Interest Paid | | (1) | (6) |
| Net cash generated from operating activities | | <u>2,567,078</u> | <u>1,995,738</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payment For: | | | |
| Payment for property, plant and equipment | | <u>(223,431)</u> | <u>(46,634)</u> |
| Net cash used in investing activities | | <u>(223,431)</u> | <u>(46,634)</u> |
| Net increase in cash and cash equivalents | | <u>2,343,647</u> | <u>1,949,104</u> |
| Cash on hand at the beginning of the financial year | | <u>2,293,078</u> | <u>343,975</u> |
| Cash on hand at the end of the financial year | 3 | <u>4,636,726</u> | <u>2,293,079</u> |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Al-Ihsan Foundation International Limited as an individual entity, incorporated and domiciled in Australia. Al-Ihsan Foundation International Limited is a company limited by guarantee.

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 Charitable Fundraising Act 1991. The committee members have determined that the company is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical 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.

Accounting Policies

a. **Revenue**

Donations recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

b. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

c. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. **Financial Instruments (cont'd)**

Classification and subsequent measurement (cont'd)

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. **Employee Provisions**

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

e. **Cash on Hand**

Cash on hand equivalents includes 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.

f. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

h. **Income Tax**

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

i. **Comparative Figures**

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

j. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimate

(i) *Impairment*

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

NOTE 2: NET CURRENT YEAR SURPLUS

| | 2018 | 2017 |
|---|-----------|-----------|
| | \$ | \$ |
| a. Expenses | | |
| Audit fees | 9,000 | 9,800 |
| Rental expense | 52,962 | 41,890 |
| b. Significant Revenue | | |
| The following significant revenue item is relevant in explaining the financial performance: | | |
| Donations – Tax deductible | 4,631,346 | 3,728,333 |
| Donations – Non-Tax deductible | 742 | 564 |
| Donations – Public Collection | 99,551 | 90,715 |
| Other – Interest | - | 5 |
| | 4,731,639 | 3,819,617 |

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 3: CASH ON HAND

| | 2018 | 2017 |
|--------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank | 4,614,087 | 2,290,003 |
| Cash on hand | 22,639 | 3,076 |
| | <u>4,636,726</u> | <u>2,293,079</u> |

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

| | 2018 | 2017 |
|--------------------------------------|----------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Accounts receivable | 133,000 | 60,500 |
| Provision for bad and doubtful debts | - | - |
| | <u>133,000</u> | <u>60,500</u> |

NOTE 5: OTHER ASSETS

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 28,623 | - |
| Bond | 12,513 | 12,513 |
| GST Paid | - | 6,096 |
| Deposit Paid | 145,105 | 145,105 |
| Total current accounts receivable and other debtors | <u>186,241</u> | <u>163,714</u> |

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 6: PROPERTY, PLANT AND EQUIPMENT

| | 2018 | 2017 |
|------------------------------------|----------------|---------------|
| | \$ | \$ |
| Computer & Software | | |
| Computer & Software - at Cost | 25,489 | 9,446 |
| Computer & Software - Accum Depn | (7,129) | (1,585) |
| | <u>18,360</u> | <u>7,861</u> |
| | | |
| Furniture & Fixtures | | |
| Furniture & Fixtures - at Cost | 22,159 | 4,409 |
| Furniture & Fixtures - Accum Dep | (2,330) | (554) |
| | <u>19,829</u> | <u>3,855</u> |
| | | |
| Leasehold Improvements | | |
| Leasehold Improvements – at Cost | 160,081 | 10,450 |
| Leasehold Improvements – Accum Dep | - | - |
| | <u>160,081</u> | <u>10,450</u> |
| | | |
| Media Equipment | | |
| Media Equipment – at Cost | 23,076 | 8,097 |
| Media Equipment – Accum Dep | (7,409) | (1,071) |
| | <u>15,667</u> | <u>7,026</u> |
| | | |
| Website | | |
| Website - at Cost | 39,260 | 14,232 |
| Website - Accum Dep | (8,221) | (1,380) |
| | <u>31,039</u> | <u>12,852</u> |
| | | |
| Total | <u>244,976</u> | <u>42,044</u> |

AL-IHSAN FOUNDATION INTERNATIONAL LIMITED ABN: 53 168 960 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 7: ACCOUNTS PAYABLE AND OTHER PAYABLES

| | 2018 | 2017 |
|--|---------------|--------------|
| | \$ | \$ |
| CURRENT | | |
| Accounts payable | 47,115 | 1,790 |
| Other tax liabilities | 12,490 | 3,536 |
| Other liabilities | 28 | 1,000 |
| Employee benefits – long service leave | 19,527 | 2,137 |
| | <u>79,160</u> | <u>8,463</u> |

NOTE 8: OTHER INFORMATION & DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| (1) Gross proceeds from fundraising appeals | 4,731,639 | 3,819,612 |
| (Less) Direct fundraising costs | <u>(58,110)</u> | <u>(58,962)</u> |
| Net surplus from fundraising appeals | <u>4,673,529</u> | <u>3,760,650</u> |
| | | |
| (2) These were applied to the following charitable purpose: | | |
| Providing relief to local and international communities requiring humanitarian assistance | 2,012,205 | 1,599,989 |
| | | |
| Surplus from fundraising appeals | <u>2,661,324</u> | <u>2,160,661</u> |

NOTE 9: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 June 2018, the number of members was 4.

NOTE 10: COMPANY DETAILS

the registered office and principal place of business of the company is:

176 Waldron Road
Chester Hill
NSW 2162

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Al-Ihsan Foundation International Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 4 to 16, are in accordance with accounting policies outlined in Note 1 to the financial statements and:
 - a. complies with accounting policies as described in Note 1 to the financial statements and the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and Charitable Fundraising Act 1991; and
 - b. presents fairly, in all material respects, the financial position of Al-Ihsan Foundation International Limited as at 30 June 2018 and its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Ahmed Dannoun
Director

Dated this 25th day of March 2019

FUNDRAISING ACTIVITIES DECLARATION

The committee declare that in their opinion:

1. the financial report presents fairly, in all material respects all income and expenditure of the company with respect to fundraising appeal activities for the financial year ended 30 June 2018;
2. the statement of financial position presents fairly, in all material respects the state of affairs of the company with respect to fundraising appeal activities as at 30 June 2018
3. the provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations under that Act and the conditions attached to the authority have been complied with during the year ended 30 June 2018; and,
4. the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the association from any of its fundraising appeals.

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



Ahmed Dannoun
Director

Dated this 25th day of March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-IHSAN INTERNATIONAL FOUNDATION LIMITED

Part (A) – Report on the Audit of the Financial Report

Qualified Auditor's Opinion

We have audited the accompanying financial report, being a special purpose financial report of Al-Ihsan International Foundation Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended, and notes to the financial statements, including a summary of significant accounting policies, and members' declaration.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraph, the financial report of Al-Ihsan International Foundation Limited presents fairly, in all material respects the financial position of Al-Ihsan International Foundation Limited 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, including satisfying the requirements of subdivision 60-C (Annual financial reports) of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Qualified Opinion

Cash donations are a significant source of revenue for Al-Ihsan International Foundation Limited. The Al-Ihsan International Foundation Limited has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash donations of Al-Ihsan International Foundation Limited are complete.

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 Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the trustee's financial reporting responsibilities under the trust deed and satisfying the requirements of subdivision 60-C (Annual financial reports) of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-IHSAN INTERNATIONAL FOUNDATION LIMITED

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the trust deed, the needs of the trustee and the requirements of subdivision 60-C (Annual financial reports) of the Australian Charities and Not-for-profits Commission Act 2012, and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern Al-Ihsan International Foundation Limited or to cease operations, or has no realistic alternative but to do so.

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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management'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 Entity'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 reporter, 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 Entity to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-IHSAN INTERNATIONAL FOUNDATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Part (B) – Compliance Report

Auditor's Opinion

We have undertaken a reasonable assurance engagement on Al-Ihsan International Foundation Limited's compliance, in all material respects, with the requirements of the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2018.

In our opinion, Al-Ihsan International Foundation Limited has complied, in all material respects with the requirements of the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2018.

In our opinion –

- a) The financial report presents fairly, in all material respects, the financial result of fundraising appeal activities for the year ended 30 June 2018;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the year ending 30 June 2018, in accordance with the Charitable Fundraising (NSW) Act 1991, and the relevant regulations;
- c) Money received as a result of fundraising appeal activities conducted during the year ending 30 June 2018 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991, and the relevant regulations; and
- d) There are reasonable grounds to believe that Al-Ihsan International Foundation Limited will be able to pay its debts as and when they fall due.

Basis for Opinion

We conducted our audit in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

INDEPENDENT AUDITOR'S REPORT (CONT'D) TO THE MEMBERS OF AL-IHSAN INTERNATIONAL FOUNDATION LIMITED

Responsibility of the Members for Compliance

The members are responsible for the compliance activity undertaken to meet the requirements of the Charitable Fundraising (NSW) Act 1991 and the identification of risks that threaten the compliance requirements being met and controls which will mitigate those risks and monitor ongoing compliance.

Part (B) – Compliance Report

Auditor's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements in undertaking this assurance engagement.

Auditor's Responsibility

Our responsibility is to express an opinion, on Al-Ihsan International Foundation Limited's compliance, in all material respects, with the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2018. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, Al-Ihsan International Foundation Limited's has complied, in all material respects, with the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2018.

An assurance engagement to report on Al-Ihsan International Foundation Limited's compliance with the Charitable Fundraising (NSW) Act 1991 involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance that are likely to arise.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected. A reasonable assurance engagement for the year ended 30 June 2018 does not provide assurance on whether compliance with the Charitable Fundraising (NSW) Act 1991 will continue in the future.

FE Audit Pty Ltd



.....
Shakeel Khan
Partner

Date: 25 March 2019