

Hineni Youth & Welfare - Australia Incorporated

ABN 46 706 005 660

Annual Report - 30 September 2019

HINENI YOUTH & WELFARE – AUSTRALIA INCORPORATED
Auditor's Independence declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2019, 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.

Name of Firm: Logicca Assurance Pty Limited

A handwritten signature in black ink, appearing to be "Peter Hersh".

Name of Director: Peter Hersh

Address: Level 6, 151 Macquarie Street Sydney NSW 2000

Dated this 31st August 2020

Hineni Youth & Welfare - Australia Incorporated

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General information

The financial statements cover Hineni Youth & Welfare - Australia Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Hineni Youth & Welfare - Australia Incorporated's functional and presentation currency.

Hineni Youth & Welfare - Australia Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 31st August 2020.

Hineni Youth & Welfare - Australia Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 September 2019

	Note	2019 \$	2018 \$
Revenue		271,568	476,744
Interest revenue calculated using the effective interest method		349	194
Expenses			
Expenses		<u>(289,506)</u>	<u>(409,701)</u>
Surplus/(deficit) before income tax expense		(17,589)	67,237
Income tax expense		<u>-</u>	<u>-</u>
Surplus/(deficit) after income tax expense for the year attributable to the members of Hineni Youth & Welfare - Australia Incorporated	6	(17,589)	67,237
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Hineni Youth & Welfare - Australia Incorporated		<u><u>(17,589)</u></u>	<u><u>67,237</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Hineni Youth & Welfare - Australia Incorporated
Statement of financial position
As at 30 September 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	2	130,735	241,609
Trade and other receivables	3	1,098	23,166
Total current assets		<u>131,833</u>	<u>264,775</u>
Total assets		<u>131,833</u>	<u>264,775</u>
Liabilities			
Current liabilities			
Trade and other payables	4	13,647	136,333
Contract liabilities	5	7,333	-
Total current liabilities		<u>20,980</u>	<u>136,333</u>
Total liabilities		<u>20,980</u>	<u>136,333</u>
Net assets		<u>110,853</u>	<u>128,442</u>
Equity			
Retained surpluses	6	<u>110,853</u>	<u>128,442</u>
Total equity		<u>110,853</u>	<u>128,442</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Hineni Youth & Welfare - Australia Incorporated
Statement of changes in equity
For the year ended 30 September 2019

	Retained profits \$	Total equity \$
Balance at 1 October 2017	61,205	61,205
Surplus after income tax expense for the year	67,237	67,237
Other comprehensive income for the year, net of tax	-	-
	<u>67,237</u>	<u>67,237</u>
Total comprehensive income for the year	<u>67,237</u>	<u>67,237</u>
Balance at 30 September 2018	<u>128,442</u>	<u>128,442</u>
	Retained profits \$	Total equity \$
Balance at 1 October 2018	128,442	128,442
Deficit after income tax expense for the year	(17,589)	(17,589)
Other comprehensive income for the year, net of tax	-	-
	<u>(17,589)</u>	<u>(17,589)</u>
Total comprehensive income for the year	<u>(17,589)</u>	<u>(17,589)</u>
Balance at 30 September 2019	<u>110,853</u>	<u>110,853</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Hineni Youth & Welfare - Australia Incorporated
Statement of cash flows
For the year ended 30 September 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		300,967	468,525
Payments to suppliers (inclusive of GST)		<u>(412,190)</u>	<u>(320,471)</u>
		(111,223)	148,054
Interest received		<u>349</u>	<u>-</u>
Net cash from/(used in) operating activities		<u>(110,874)</u>	<u>148,054</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(110,874)	148,054
Cash and cash equivalents at the beginning of the financial year		<u>241,609</u>	<u>93,555</u>
Cash and cash equivalents at the end of the financial year	2	<u><u>130,735</u></u>	<u><u>241,609</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 15 Revenue from Contracts with Customers

The incorporated association has adopted AASB 15 from 1 October 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact on adoption

None

AASB 1058 Income of Not-for-Profit Entities

The incorporated association has adopted AASB 1058 from 1 October 2018. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact on adoption

None

Basis of preparation

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

Hineni Youth & Welfare - Australia Incorporated
Notes to the financial statements
30 September 2019

Note 1. Significant accounting policies (continued)

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and and New South Wales legislation the Associations Incorporation Act 2009 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Hineni Youth & Welfare - Australia Incorporated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Hineni Youth & Welfare - Australia Incorporated's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Entity has applied AASB 15 : Revenue from Contracts with Customers (AASB 15) and AASB 1058 : Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 October 2018. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 : Revenue and AASB 1004 : Contributions . The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Hinene Youth & Welfare - Australia Incorporated
Notes to the financial statements
30 September 2019

Note 1. Significant accounting policies (continued)

Operating grants, donations and bequest

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 .

When both these conditions are satisfied, the Entity: – identifies each performance obligation relating to the grant – recognises a contract liability for its obligations under the agreement – recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

– recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9 , AASB 16 , AASB 116 and AASB 138);

– recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

– recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

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

In the comparative year

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue on programs offered to participant during the year are recognised with the financial year although their completion is based on calendar year.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Hineni Youth & Welfare - Australia Incorporated
Notes to the financial statements
30 September 2019

Note 1. Significant accounting policies (continued)

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The incorporated association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised gross of the amount of associated GST as the entity is not registered for GST

Note 2. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	110,386	221,609
Cash on deposit	20,349	20,000
	<u>130,735</u>	<u>241,609</u>

Note 3. Current assets - trade and other receivables

	2019	2018
	\$	\$
Trade receivables	32,561	30,166
Less: Allowance for expected credit losses	<u>(31,463)</u>	<u>(7,000)</u>
	<u>1,098</u>	<u>23,166</u>

Hineni Youth & Welfare - Australia Incorporated
Notes to the financial statements
30 September 2019

Note 4. Current liabilities - trade and other payables

	2019	2018
	\$	\$
Credit Card	3,047	3,047
Trade payables	10,600	133,286
	<u>13,647</u>	<u>136,333</u>

Note 5. Current liabilities - contract liabilities

	2019	2018
	\$	\$
Contract liabilities- Chofesh 2020	7,333	-

Note 6. Equity - retained surpluses

	2019	2018
	\$	\$
Retained surpluses at the beginning of the financial year	128,442	61,205
Surplus/(deficit) after income tax expense for the year	(17,589)	67,237
Retained surpluses at the end of the financial year	<u>110,853</u>	<u>128,442</u>

Note 7. Events after the reporting period

Subsequent to year end, there has been a global pandemic of the Coronavirus (COVID-19) which was first reported on 30 December 2019. This pandemic continues to evolve quickly and is having significant impact on a large number of entities and many entities now face material uncertainties relating to their ability to continue as a going concern.

As the COVID-19 pandemic evolves on a daily basis, it is difficult to know the true extent of its impact and therefore an estimate of the COVID-19 financial effect cannot be made at the time of signing of these accounts.

No other matter or circumstance has arisen since 30 September 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Hinene Youth & Welfare - Australia Incorporated
Officers' declaration
30 September 2019

In the officers' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 September 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



Ruby Peer
Federal President



Samuel Herz
Federal Treasurer

31/08/2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HINENI YOUTH & WELFARE – AUSTRALIA INCORPORATED
ABN: 46 706 005 660**

Report on the Audit of the Financial Report

We have audited the financial report of Hineni Youth & Welfare – Australia Incorporated, which comprises the statement of financial position as at 30 September 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Hineni Youth & Welfare – Australia Incorporated has been prepared in accordance with the *New South Wales Associations Incorporation Act 2009* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 September 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act and the *New South Wales Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Other revenue

We draw attention to Note 1 to the financial report, which describes that other revenue are accounted for as when received. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities and Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the *New South Wales Associations Incorporation Act 2009*. The responsible entities' responsibility also includes such internal control as the responsible entities determine is 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.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have 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 the financial report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

Name of firm: Logicca Assurance Pty Limited



Director: Peter Hersh

Address: Level 6, 151 Macquarie Street
SYDNEY NSW 2000

Dated this 31st August 2020