AL-IHSAN FOUNDATION INTERNATIONAL LIMITED

A.B.N. 53 168 960 361

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

CONTENTS

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2017.

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 centres).
- 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 12 years' experience working with youth. Has established communal educational programs and services.
Special Responsibilities	–	Administrator and Public Office 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 14 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 14 years
Experience	–	Has been working with his local for over 13 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, 11 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Ahmed Dannoun	11	10
Ihssan Wehbe	11	9
Gezim Recaj	11	11

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 2017, 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 2017 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 19th day of March 2018

Assura Group Pty Ltd
ABN : 30 114 712 462
Level 14, 309 Kent Street
Sydney NSW 2000
GPO Box 3807 Sydney NSW 2001

t 1300 55 33 38
www.assuragroup.com.au

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 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Al-Ihsan Foundation International Limited during the year.

Assura Group Pty Ltd
Chartered Accountants

Shakeel Khan
Director
Sydney, 19 March 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
Revenue		3,819,617	1,898,175
Project expenses		(1,376,129)	(1,391,376)
Advertising		(23,524)	(100.00)
Bank and merchant charges		(6,394)	(4,979)
Depreciation		(4,590)	-
Printing, postage and stationery expenses		(19,269)	(8,353)
Occupancy expenses		(45,840)	(9,020)
Other expenses		(142,480)	(40,567)
Salaries and wages expenses		(87,436)	(6,731)
Current year surplus before income tax	2	2,113,955	437,049
Income tax expense		-	-
Net current year surplus		2,113,955	437,049
Net current year surplus attributable to members of the entity		2,113,955	437,049

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017	2016
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	2,293,079	343,975
Accounts receivable and other debtors	4	60,500	76,000
Other assets	5	163,714	24,540
TOTAL CURRENT ASSETS		2,517,293	444,515
NON CURRENT ASSETS			
Property, Plant And Equipment	6	42,044	-
TOTAL NON CURRENT ASSETS		42,044	-
TOTAL ASSETS		2,559,337	444,515
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	8,463	7,596
TOTAL CURRENT LIABILITIES		8,463	7,596
TOTAL LIABILITIES		8,463	7,596
NET ASSETS		2,550,874	436,919
EQUITY			
Retained surplus		2,550,874	436,919
TOTAL EQUITY		2,550,874	436,919

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surplus
	$
Balance at 1 July 2015	(130)
Comprehensive income	
Surplus for the year attributable to members of the entity	437,049
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	437,049
Balance at 30 June 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**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		3,835,112	1,812,440
Interest Received		5	-
Payments to suppliers and employees		(1,839,373)	(1,468,835)
Interest Paid		(6)	-
Net cash generated from operating activities		1,995,738	343,605
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(46,634)	-
Net cash used in investing activities		(46,634)	-
Net increase in cash and cash equivalents		1,949,104	343,605
Cash and cash equivalents at the beginning of the financial year		343,975	370
Cash and cash equivalents at the end of the financial year	3	2,293,079	343,975

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors’ valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rates**
Buildings	10%
Leasehold improvements	10% - 20%
Plant and equipment	20% - 37.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. **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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

e. **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.

f. **Cash and cash equivalents**

Cash and cash 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.

g. **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.

h. **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.

i. **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*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

l. **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.

NOTE 2: NET CURRENT YEAR SURPLUS

		2017	2016
		$	$
a.	**Expenses**		
	Audit fees	9,000	8,800
	Rental expense	41,890	7,583
b.	**Significant Revenue**		
	The following significant revenue item is relevant in explaining the financial performance:		
	Donations – Tax deductible	3,728,333	1,008,246
	Donations – Other	564	826,154
	Donations – Public Collection	90,715	63,775
	Other – Interest	5	-
		3,819,617	1,898,175

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank	2,290,003	343,975
Cash on hand	3,076	-
	2,293,079	343,975

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2017	2016
	$	$
CURRENT		
Accounts receivable	60,500	76,000
Provision for bad and doubtful debts	-	-
	60,500	76,000

NOTE 5: OTHER ASSETS

	2017	2016
	$	$
CURRENT		
Prepayments	-	2,292
Bond	12,513	12,513
GST Paid	6,096	9,735
Deposit Paid	145,105	-
	163,714	24,540

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 6: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	$	$
Computer & Software		
Computer & Software - at Cost	9,446	
Computer & Software - Accum Depn	(1,585)	-
	7,861	-
Furniture & Fixtures		
Furniture & Fixtures - at Cost	4,409	-
Furniture & Fixtures - Accum Dep	(554)	-
	3,855	-
Improvements		
Improvements – at Cost	10,450	-
Improvements – Accum Dep	-	-
	10,450	-
Media Equipment		
Media Equipment – at Cost	8,097	-
Media Equipment – Accum Dep	(1,071)	-
	7,026	-
Website		
Website - at Cost	14,232	-
Website - Accum Dep	(1,380)	-
	12,852	-
Total	42,044	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2017	2016
	$	$
CURRENT		
Accounts payable	1,790	5,296
Other tax liabilities	3,536	716
Other liabilities	3,137	1,584
	8,463	7,596

NOTE 8: ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Throughout the financial year ending 30 June 2017, Al-Ihsan Foundation International Limited conducted various appeals in order to raise funds to support its operational activities. In accordance with section 20 of the Charitable Fundraising Act 1991 (NSW), monies received in the course of fundraising appeals were applied according to the objects and purposes of the appeal net of proper and appropriate expenses.

	2017	2016
	$	$
(1) Gross proceeds from fundraising appeals	3,819,612	1,898,175
(Less) Direct fundraising costs	58,962	23,064
Net surplus from fundraising appeals	3,760,650	1,875,111
(2) These were applied to the following charitable purpose:		
Providing relief to local and international communities requiring humanitarian assistance	1,599,989	1,408,922
	1,599,989	1,408,922
Surplus/(deficit) from fundraising appeals	2,160,661	466,189

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 2017, 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 the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and Charitable Fundraising Act 1991 and:
    a. complies with accounting policies as described in Note 1 to the financial statements; and
    b. presents fairly, in all material respects, the financial position of Al-Ihsan Foundation International Limited as at 30 June 2017 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 19th day of March 2018

FUNDRAISING ACTIVITIES DECLARATION

The committee declare that in their opinion:

1. the statement of profit or loss and other comprehensive income 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 2017;

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 2017

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 2017; 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 19th day of March 2018

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Level 14, 309 Kent Street
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AL-IHSAN FOUNDATION INTERNATIONAL LIMITED

Part (A) – Financial Report

Qualified Auditor's Opinion

We have audited the accompanying financial report, being a special purpose financial report of Al-Ihsan Foundation International Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and directors' declaration.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the Al-Ihsan Foundation International Limited as at 30 June 2017, and of its financial performance and its cash flows 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 Foundation International Limited. The Al-Ihsan Foundation International 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 Foundation International 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 has been 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.

Responsibilities of the Trustee Directors for the Financial Report

The directors of the trustee company are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of 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 they determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Part (A) – Financial Report (cont'd)

Responsibilities of the Trustee Directors for the Financial Report (cont'd)

In preparing the financial report, the trustee directors are responsible for assessing the Al-Ihsan Foundation International Limited'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 trustee directors either intend to liquidate Al-Ihsan Foundation International Limited or to cease operations, or have no realistic alternative but to do so. The trustee directors are responsible for overseeing the Al-Ihsan Foundation International Limited's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 Al-Ihsan Foundation International Limited'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 Al-Ihsan Foundation International Limited'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 Al-Ihsan Foundation International Limited to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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Part (A) – Financial Report (cont'd)

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

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.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Part (B) – Compliance Report

Auditor's Opinion

We have undertaken a reasonable assurance engagement on Al-Ihsan Foundation International Limited's compliance, in all material respects, with the requirements of the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2017.

In our opinion, Al-Ihsan Foundation International Limited has complied, in all material respects with the requirements of the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2017.

In our opinion –

a) The financial report presents fairly, in all material respects, the financial result of fundraising appeal activities for the financial year ended 30 June 2017;

b) The financial report has been properly drawn up, and the associated records have been properly kept for the year ending 30 June 2017, 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 2017 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 Foundation International Limited will be able to pay its debts as and when they fall due.

Basis for Opinion

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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Part (A) – Financial Report (cont'd)

Responsibility of the Trustee Directors for Compliance

The trustee directors 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 engagement, 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 Foundation International Limited's compliance, in all material respects, with the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2017. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, Al-Ihsan Foundation International Limited has complied, in all material respects, with the Charitable Fundraising (NSW) Act 1991 for the year ended 30 June 2017.

An assurance engagement to report on Al-Ihsan Foundation International 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 relevant compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance.

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 2017 does not provide assurance on whether compliance with the Charitable Fundraising (NSW) Act 1991 will continue in the future.

Assura Group Pty Ltd
Chartered Accountants

Shakeel Khan
Director
Sydney, 19 March 2018