



Human Appeal International Australia Limited

ABN. 26 164 251 245

Financial Statements

For the Year ended 31st December 2016

Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001

To Members of Human Appeal International Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Human Appeal International Australia Limited for the year ended 31 December 2016 there have been;

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Rajeev Kumar Dixit CPA
Registered Company Auditor
1/19 Restwell Street, Bankstown

Dated this 24 day of Aug.....2017

Human Appeal International Australia Limited
Statement Of Financial Performance
For the Year ended 31 December 2016

	2016	2015
	\$	\$
REVENUE		
- Appeals, Donation and Gifts	9,458,018	9,067,974
- International Fund Collected	2,747,908	2,383,700
- Othe income	<u>222,537</u>	<u>2,069</u>
	12,428,463	11,453,743
DIRECT PROGRAMS EXPENDITURE		
Opening Stock	3,323	-
Community and local Aid	1,032,682	824,391
International Aid & Development Programs	13,234,890	7,855,265
Direct Program Cost	895,886	277,016
Closing Stock	<u>20,602</u>	<u>-</u>
	15,146,179	8,956,672
GROSS LOSS FROM TRADING	(2,717,716)	2,497,071
OPERATING EXPENDITURE		
Accountability and Fundraising Costs	561,093	372,894
Admistration Cost	1,661,162	1,429,193
Occupational Cost	<u>104,294</u>	<u>87,006</u>
	2,326,549	1,889,093
OTHER INCOME		
Asset Realisation Account	<u>9,834</u>	<u>-</u>
	9,834	-
NET DEFICIT	<u>(5,034,431)</u>	<u>-</u>
NET SURPLUS	<u>-</u>	<u>607,978</u>

The accompanying notes form part of these financial statements.

Human Appeal International Australia Limited
Income and Expenditure Statement
For the Year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenues from ordinary activities	5	12,438,297	11,453,743
Expenses from ordinary activities, excluding borrowing costs	6	17,472,728	10,845,765
Net Deficit	7	<u>(5,034,431)</u>	<u>607,978</u>
Reserves	18		
Increase in Capital		1,791,550	5,520,002
Increase in Capital		89,579	(2,871)
Total movement in equity of the association		<u><u>(3,153,302)</u></u>	<u><u>6,125,109</u></u>

The accompanying notes form part of these financial statements.

Human Appeal International Australia Limited
Balance Sheet
As at 31 December 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and Cash Equivalents	8	4,901,484	8,965,473
Trade and Other Receivables	10	1,853,963	1,406,651
Inventories	11	-	3,323
Other	13	<u>12,000</u>	<u>33,821</u>
Total Current Assets		<u>6,767,447</u>	<u>10,409,268</u>
Non-Current Assets			
Trade and Other Receivables	10	544,787	334,265
Financial Assets	12	300,000	-
Property, Plant and Equipment	14	<u>271,772</u>	<u>255,492</u>
Total Non-Current Assets		<u>1,116,559</u>	<u>589,757</u>
Total Assets		<u>7,884,006</u>	<u>10,999,025</u>
Current Liabilities			
Trade and Other Payables	15	2,499,348	2,513,624
Provisions	16	148,084	105,155
Other	17	<u>24,256</u>	<u>17,497</u>
Total Current Liabilities		<u>2,671,688</u>	<u>2,636,276</u>
Total Liabilities		<u>2,671,688</u>	<u>2,636,276</u>
Net Assets		<u>5,212,318</u>	<u>8,362,749</u>
Equity			
Reserves	18	10,952,515	9,068,515
Accumulated Losses		(5,740,197)	(705,766)
Total Equity		<u>5,212,318</u>	<u>8,362,749</u>

The accompanying notes form part of these financial statements.

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

1. **Summary of Significant Accounting Policies**

(a) **Basis of Preparation**

The financial statements are special purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Reform Act .

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

2. **Summary of Significant Accounting Policies**

(b) **Cash and Cash Equivalents**

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

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents and presented within current liabilities on the statement of financial position.

(c) **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(d) **Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(e) **Property, Plant and Equipment**

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Property

Land and buildings are measured using the revaluation model.

Plant and Equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The useful lives used for each class of depreciable asset are shown below:

Fixed Asset Class	Useful Life
Plant and Equipment	7 - 11 years
Furniture, Fixtures and Fittings	4 - 10 years
Motor Vehicles	5 - 12 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

(f) **Investments and Other Financial Assets**

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available for Sale Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(g) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received.

(h) **Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The association's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial Liabilities

Financial liabilities are recognised when the association becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of each reporting period the association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial Assets at Amortised Cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-Sale Financial Assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(i) **Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Human Appeal International Australia Limited
Notes to the Financial Statements
For the Year ended 31 December 2016

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of Goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

(j) **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) **New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided not to early adopt any of new and amended pronouncements and that it would not have any material effect on the association's financial statements.

Human Appeal International Australia Limited Committee's Report

The committee members present their report on the association for the financial year ended 31 December 2016

Committee Members

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

Bashar Al-Jamal
Riyad Qasim
Mustapha Omari
Salem Al Nuaimi
Abdul Mohaymen Kamareddine

Principal Activities

The principal activities of the association during the financial year were:
Humanitarian Aid and Fund Raising

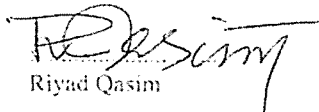
Significant Changes

No significant changes in the nature of the association's activity occurred during the financial year.

Operating Result

The loss of the association amounted to (\$5,031,108).

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


Riyad Qasim

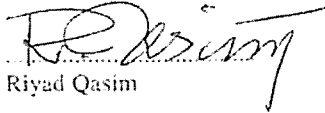

Mustapha Omari

Dated 14th August 2017

Human Appeal International Australia Limited
Certificate by Members of the Committee

We, Riyad Qasim and Mustapha Omari hereby certify:

- a) We are members of the committee and we attended the annual general meeting held on 27/06/2017
- b) We are authorised by the attached resolution of the committee to sign this certificate.
- c) This annual statement was submitted to the members of the association at its annual general meeting.


Riyad Qasim


Mustapha Omari

Dated 16th August 2017

Compilation Report To Human Appeal International Australia Limited

Scope

On the basis of information provided by the committee, we have compiled in accordance with APS 9 "Statement on Compilation of Financial Reports" the general purpose financial report of the client for the period ended 31st December 2016 as set out in the financial report.

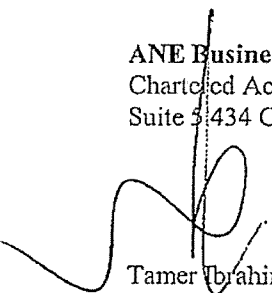
The committee is solely responsible for the information contained in the general purpose financial report.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the committee provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the association, may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The general purpose financial report was prepared exclusively for the benefit of the association. We do not accept responsibility to any other person for the contents of the general purpose financial report.

ANE Business Solutions Pty Ltd
Chartered Accountants
Suite 5/434 Chapel Road, Bankstown NSW 2200



Tamer Ibrahim
14th August 2017

Human Appeal International Australia Limited
Independent Audit Report
to the Members of
Human Appeal International Australia Limited

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Human Appeal International Australia Limited (the association), which comprises the Statement of Financial Position as at 31 December 2016, and the Statement of Financial Performance, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The directors of the company is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of Australian Charities and Not-for -profits Commission (ACNC), and are appropriate to meet the needs of the members. The directors's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Australian Charities and Not-for -profits Commission (ACNC).. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**Human Appeal International Australia Limited
Independent Audit Report
to the Members of
Human Appeal International Australia Limited**

Emphasis of Matter

A Significant part of the organisation's charitable work is conducted in conflict areas eg Syria and Gaza. Due to restricted access, whilst the management has strived to obtain independent verification that the funds remitted by the organisation are used for intended purposes only it is not possible for us to have direct verification of the same. Hence our testing is limited to actual remittance of funds from the organisation and receipt of funds by nominated beneficiary.

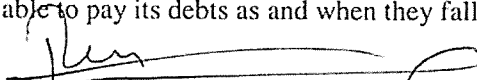
Auditor's Opinion

In our opinion, the financial report of Human Appeal International Australia Limited is in accordance with:

- a) The Australian Charities and Not-for -profits Commission (ACNC), including:
- giving a true and fair view of the organisations financial position as at 31st December 2016 and its performance for the year ended on that date.
 - complying with Australian Accounting standards and other mandatory professional reporting requirements.
 - Corporation Act (CWLTH) 2010 and regulations

We also report that:

- a) the financial statements show a true and fair value of the financial result of the organisation conducted during the year;
- b) the accounting and the associated records have been properly kept;
- c) money received during the year have been properly accounted for and applied;
- d) at the date of this report, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they fall due.


Rajeev Kumar Dixit CPA
Registered Company Auditor
1/19 Restwell Street, Bankstown

Dated this ²⁴.....day of ^{Aug}.....2017