



Human Appeal

Financial Statements **2018**

For the year ended 31 December 2018

Human Appeal International Australia Limited

ABN: 26 164 251 245

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

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 2018 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, FCPA
Registered Company Auditor
DBS Accountants & Advisors
1/19 Restwell Street, Bankstown NSW 2200



Human Appeal International Australia Limited

ABN: 26 164 251 245

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 company), which comprises the Statement of Financial Position as at 31 December 2018, 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 are 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 director'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.

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 2018 and its performance for the year ended on that date.
 - complying with applicable Australian Accounting standards and other mandatory professional reporting requirements.

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.

Registered Company Auditor

DBS Accountants & Advisors

1/19 Restwell Street, Bankstown NSW 2200



Dated 11th September 2019

Rajeev Kumar Dixit

FCPA



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 special purpose financial report of the client for the period ended 31st December 2018 as set out in the financial report.

The committee is solely responsible for the information contained in the special 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 special purpose financial report without having an audit or review conducted.

The special 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 special purpose financial report.

ANE Business Solutions Pty Ltd

Chartered Accountants

Suite 5 434 Chapel Road, Bankstown NSW 2200

Tamer Ibrahim

Chartered Accountant

Dated: 22 / 08 / 2019

Human Appeal International Australia Limited

ABN: 26 164 251 245

Statement by Members of Committee



Human Appeal
INTERNATIONAL - AUSTRALIA

The committee has determined that the association is a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the notes to the financial statements.

In the opinion of the committee the financial report:

1. Presents fairly the financial position of Human Appeal International Australia Limited as at 31 December 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Human Appeal International Australia Limited will be able to pay its debts as and when they fall due.

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

A handwritten signature in black ink, appearing to read 'R. Qasim', written over a horizontal line.

Riyad Qasim

Dated: 06 / 09 / 2019

A handwritten signature in black ink, appearing to read 'M. Omari', written over a horizontal line.

Mustapha Omari

Dated: 06 / 09 / 2019

Human Appeal International Australia Limited

ABN: 26 164 251 245

Committee's Report

For the year ended 31 December 2018



The committee members submit the financial report of Human Appeal International Australia Limited for the financial year ended 31 December 2018.

Committee members

The names of the committee members throughout the year and at 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 Fundraising

Significant changes

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

Operating result

The surplus of the Association for the financial year amounted to \$2,160,638.00.

Signed in accordance with a resolution of the members of the committee:

A handwritten signature in black ink, appearing to read 'Riyad Qasim', written over a horizontal line.

Riyad Qasim

Dated: 06 / 09 / 2019

A handwritten signature in black ink, appearing to read 'Mustapha Omari', written over a horizontal line.

Mustapha Omari

Dated: 06 / 09 / 2019

Human Appeal International Australia Limited

ABN: 26 164 251 245

Certificate by Members of Committee

For the year ended 31 December 2018



Human Appeal
INTERNATIONAL - AUSTRALIA

We, Riyadh Qasim and Mustapha Omari hereby certify;

- (a) We are members of the committee and we attended the annual general meeting held on 16/04/2018.
- (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.

A handwritten signature in black ink, appearing to read 'R. Qasim', written over a horizontal line.

Riyad Qasim

Dated: 06 / 09 / 2019

A handwritten signature in black ink, appearing to read 'M. Omari', written over a horizontal line.

Mustapha Omari

Dated: 06 / 09 / 2019

Human Appeal International Australia Limited

Income Statement

For the year ended 31 December 2018



	2018	2017
	\$	\$
Sales		
Donations and Gifts	20,453,172.80	10,778,037.93
SOL - Event	-	896,245.37
Other Income	5,469.42	282.00
	20,458,642.22	11,674,565.30
Less: Direct Costs		
Donations Paid	2,676,986.52	2,441,201.51
International Aid & Development Programs	13,273,420.23	12,958,705.25
Direct Program Cost	887,330.87	1,050,300.15
	16,837,737.62	16,450,206.91
Gross Surplus/(Deficit) From Trading	3,620,904.60	(4,775,641.61)
Expenses		
Accountability and Fundraising Costs	609,413.52	409,493.58
Administration Cost	2,295,605.96	1,918,785.21
Occupational Cost	38,260.61	108,303.60
	2,943,280.09	2,436,582.39
Other Income		
Extraordinary Income	1,483,013.66	5,200,000.00
	1,483,013.66	5,200,000.00
Net Surplus/(Deficit)	2,160,638.17	(2,012,224.00)
Retained surplus/(deficit) at the beginning of the financial year	3,295,321.50	5,307,545.50
Retained surplus/(deficit) at the end of the financial year	5,455,959.67	3,295,321.50

*The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of ANE Business Solutions.*

Human Appeal International Australia Limited

ABN: 26 164 251 245



Balance Sheet

For the year ended 31 December 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and Cash Equivalents	3	6,524,155.10	4,079,971.32
Trade and Other Receivables	4	2,854,640.59	2,198,972.91
Other Current Assets	6	12,044.93	12,000.00
Total Current Assets		9,390,840.62	6,290,944.23
Non-Current Assets			
Property, Plant and Equipment	7	506,274.80	432,299.95
Investments	5	-	300,000.00
Total Non-Current Assets		506,274.80	732,299.95
Total Assets		9,897,115.42	7,023,244.18
Current Liabilities			
Trade and Other Payables	8	3,306,643.77	3,075,587.33
Provisions	9	341,793.82	281,771.16
Other Current Liabilities	10	76,319.00	75,910.00
Total Current Liabilities		3,724,756.59	3,433,268.49
Total Liabilities		3,724,756.59	3,433,268.49
Net Assets		6,172,358.83	3,589,975.69
Members' Funds			
Foreign Exchange Reserve		716,399.16	294,654.19
Retained Surplus/(Deficit)		5,455,959.67	3,295,321.50
Total Members' Funds		6,172,358.83	3,589,975.69

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Human Appeal International Australia Limited

ABN: 26 164 251 245

Statement of Changes in Equity

For the year ended 31 December 2018



	2018	2017
	\$	\$
Equity		
Foreign Exchange Reserve	716,399.16	294,654.19
Retained Surplus/(Deficit)	3,295,321.50	5,307,545.50
Current Year Surplus/(Deficit)	2,160,638.17	(2,012,224.00)
Total Equity	6,172,358.83	3,589,975.69

*The accompanying notes form part of these financial statements.
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For the year ended 31 December 2018

Summary of Significant Accounting Policies

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.

Summary of Significant Accounting Policies

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 comprise 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.

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.

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

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For the year ended 31 December 2018

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.

Property, plant and equipment

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

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 & 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.

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 asset is disposed, the gain or loss is calculated by comparing proceeds received with it's carrying amount and is taken to profit or loss.

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These statements should be read in conjunction with the attached compilation report of ANE Business Solutions.*

For the year ended 31 December 2018

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.

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.

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.

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For the year ended 31 December 2018

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.

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For the year ended 31 December 2018

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 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.

*The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of ANE Business Solutions.*

For the year ended 31 December 2018

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.

Critical Accounting Estimates and Judgments

Key Judgments - Provision for Impairment of Receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key Judgments - Provision for Inventories

At the year-end management do not believe there is any need for an obsolescence provision for inventory.

The inventory held is reviewed on a monthly basis to determine whether there is any old, damaged or obsolete stock or any other stock items which need to be written down to NRV.

Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key Judgments - Provision for Impairment of Receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key Judgments - Provision for Inventories

At the year-end management do not believe there is any need for an obsolescence provision for inventory.

The inventory held is reviewed on a monthly basis to determine whether there is any old, damaged or obsolete stock or any other stock items which need to be written down to NRV.

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