

ISLAMIC SOCIETY OF PALMERSTON INC.

ABN: 42 357 174 854

Financial Report For The Year Ended

30 June 2020

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ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
COMMITTEE REPORT

Your Committee Members submit the financial report of the Islamic Society of Darwin Incorporated for the financial year ended 30 June 2020.

Committee Members

The names of Committee Members throughout the year and at the date of this report are:

Shahid Mehmood	President
Rabia Tabassum	Women Representative
Zahid Hafiz	Public Officer
Shah Md. Manwar Hossain	Executive Committee
Iqbal Faruque	Secretary
Tarique Memon	Event Manager
Muhammad Qasim Mujahid	Vice President
Usman Siddique	Treasurer

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

Principal Activities

The principal activities of the Association during the financial year were:

- Providing Islamic religious activities to the community.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Results

The surplus of the Association for the financial year amounted to \$46,186 (2019 Surplus of: \$1,167,989).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.



Shahid Mehmood (President)

Usman Siddique (Treasurer)

Dated this 26th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER THE AUSTRALIAN CHARITIES AND NOT-FOR- PROFITS COMMISSION ACT 2012

TO THE COMMITTEE OF ISLAMIC SOCIETY OF PALMERSTON INCORPORATED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- (i) the auditor independence requirements as set out in *section 60-40 of the Australian Charities and Not- for- Profits Commission Act 2012*, in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Trust Chartered Accountants

Hasan Islam

Chartered Accountant, Registered Company Auditor

Director

Darwin

Northern Territory

Date

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Donation Received		426,342	352,740
NT Government Grant		100,000	-
Other Income		-	5,104
Total Income		526,342	357,844
Expenses			
Audit Fees		-	-
Bank Fees		3,005	1,913
Cleaning		500	260
Consultation Fees		-	3,014
Depreciation Expense		16,943	14,203
Employment Expenses		9,232	-
Travel & Fundraising Expenses		11,111	10,852
Islamic Program Expenses		1,444	1,360
Power and Water		3,564	2,000
Printing & Stationery		4,438	-
Utilities		1,577	-
Insurance		256	-
Rates		490	-
Religious Festival		4,439	4,743
Entertainment Expenses		455	-
Repairs and Maintenance		2,350	450
Sports Materials		-	1,060
Other Expenses		601	270
Zakat Money		1,338	-
Total Expenditure		61,743	39,855
Net Surplus		464,599	317,989
Other Comprehensive Income (Loss)		(418,413)	-
Gifted Asset (Land)		-	850,000
Total Other Comprehensive Income (Loss)		(418,413)	850,000
Total Comprehensive Income (Loss) for the year		46,186	1,167,989
TOTAL COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		46,186	1,167,989

The accompanying notes form part of these financial statements.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash at Bank	2	819,897	437,424
Accounts Receivable and Other Assets	3	3,580	592
TOTAL CURRENT ASSETS		823,477	438,016
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	973,796	1,323,937
TOTAL NON-CURRENT ASSETS		973,796	1,323,937
TOTAL ASSETS		1,797,273	1,761,953
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Other Payables	5	356	11,222
TOTAL CURRENT LIABILITIES		356	11,222
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		356	11,222
NET ASSETS		1,796,917	1,750,731
MEMBER'S FUNDS			
Retained Surplus		46,186	1,167,989
Retained Reserves		1,750,731	582,742
MEMBER'S FUNDS		1,796,917	1,750,731

The accompanying notes form part of these financial statements.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained Surplus	Total Members' Funds
	\$	\$
Balance at 1 July 2018	582,742	582,742
Comprehensive income		
Net surplus for the year	317,989	317,989
Other comprehensive income for the year	850,000	850,000
Total comprehensive income attributable to members of the entity	1,167,989	1,167,989
Balance at 30 June 2019	1,750,731	1,750,731
Balance at 1 July 2019	1,750,731	1,750,731
Comprehensive income		
Net surplus for the year	464,599	464,599
Other comprehensive income for the year	(418,413)	(418,413)
Total comprehensive income attributable to members of the entity	46,186	46,186
Balance at 30 June 2020	1,796,917	1,796,917

The accompanying notes form part of these financial statements.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donation		426,342	352,740
Receipts from NT Government grant		100,000	-
Other income		-	5,104
Payments to suppliers and employees		(58,654)	(33,244)
Net cash provided by/(used in) operating activities	9	467,688	324,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(85,215)	-
Net cash provided by/(used in) investing activities		(85,215)	-
Net increase/(decrease) in cash held		382,473	324,600
Cash on hand at beginning of financial year		437,424	112,824
Cash on hand at end of financial year	2	819,897	437,424

The accompanying notes form part of these financial statements.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
NOTES TO THE FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

The financial statements cover Islamic Society of Palmerston Incorporated as an individual entity and domiciled in the Northern Territory. Islamic Society of Palmerston Incorporated is an incorporated Association and operates pursuant to the *Northern Territory of Australia Associations Act* and *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

The financial statements were authorised for issue on _____ by the Committee Members.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The Committee Members have prepared the financial statements on the basis that the Association is a non reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the requirements of the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Standards applicable to entities reporting under the *Australian Charities and Not-for-Profits Commission ACT 2012* and the significant accounting policies described below, which the Committee Members have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) 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*.

(b) 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 impairment losses.

Property Improvements

Property improvements are measured on the cost basis less accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less any accumulated depreciation and any impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Committee Members, to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount, is assessed on the bases, of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of property plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment).

(c) Property, Plant and Equipment (Cont.)

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 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 Rate
Building	2.5%
Plant and equipment	7.8%
Furniture and Fitting	6.6%

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 net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
NOTES TO THE FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies (Cont.)

(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 Association commits itself to either purchase or sell the asset (i.e. 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.

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 discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over 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 income or expense in profit or loss.

(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 fair value (i.e. gains and losses) recognised 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 Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

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

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

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

(v) Financial Liabilities

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

Impairment

At the end of each reporting period, the Association assesses whether there is objective 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 Association 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.

(e) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Association 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 recognised 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 class of asset.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
NOTES TO THE FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies (Cont.)

(f) Cash on Hand

Cash on hand 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. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from customers for goods and services performed in the ordinary course of business and from Members as well as amounts receivable from donors. 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) Revenue and Other Income

Non-reciprocal grant revenue is recognised profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised 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.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(i) 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 and 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.

(j) Comparative Figures

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

Where the Association 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 is presented in addition to the minimum comparative financial statements.

(k) 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 Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Critical Accounting Estimates and Judgements

The committee evaluates 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 Association.

Key Estimates

(i) Impairment - General

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(n) Economic dependence

The Association is dependent on the NT Government grant and members' support for the majority of its revenue to operate its programs. At the date of this report, the Committee Members have no reason to believe that the NT government and members will not continue to support the Association. The operations and future success of the Association is dependent upon the continued support and funding by the government, its members and donors and the achievement of operating surpluses and positive operating cash flows.

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
NOTES TO THE FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

Notes to the financial report continued:

Note 2 Cash at Bank

CURRENT	Note	2020 \$	2019 \$
Cash at bank - Operational bank accounts		130,006	26,788
Cash at bank - Donation bank accounts		689,891	410,636
Total at Bank		<u><u>819,897</u></u>	<u><u>437,424</u></u>

Note 3 Accounts Receivable and Other Assets

CURRENT		2020 \$	2019 \$
Receivables:			
Receivable - ATO (Net)		1,787	592
Prepayment		1,793	-
Total trade and other debtors		<u><u>3,580</u></u>	<u><u>592</u></u>

Note 4 Property, Plant and Equipment

		2020 \$	2019 \$
Land and Buildings			
Land:			
At cost		570,000	850,000
Total		<u><u>570,000</u></u>	<u><u>850,000</u></u>
Buildings:			
At cost		370,000	508,413
Less Accumulated depreciation		(93,286)	(80,576)
Total Buildings		<u><u>276,714</u></u>	<u><u>427,837</u></u>
Total land and buildings		<u><u>846,714</u></u>	<u><u>1,277,837</u></u>
Plant and equipment			
At cost		39,300	39,300
Less Accumulated depreciation		(9,231)	(6,166)
Total Plant and Equipment		<u><u>30,069</u></u>	<u><u>33,134</u></u>
Furniture and Fitting			
At cost		14,960	14,960
Less Accumulated depreciation		(3,161)	(1,994)
Total Plant and Equipment		<u><u>11,799</u></u>	<u><u>12,966</u></u>
Work in Progress			
At cost		85,215	-
Total Plant and Equipment		<u><u>85,215</u></u>	<u><u>-</u></u>
Total Property, Plant and Equipment		<u><u>973,796</u></u>	<u><u>1,323,937</u></u>

Note 5 Accounts Payable and Other Payables

CURRENT		2020 \$	2019 \$
Trade payables		-	11,222
Accrued expenses		356	-
Total Accounts and Other Payables		<u><u>356</u></u>	<u><u>11,222</u></u>

ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
NOTES TO THE FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

Notes to the financial report continued:

Note 6 Capital and Leasing Commitments

The Association has no capital and leasing expenditure commitments as at 30 June 2020 (2019:\$Nil).

Note 7 Contingent Liabilities

The Committee Members are not aware of any contingent liabilities as at 30 June 2020 (2019:\$Nil).

Note 8 Events after the Reporting Period

The Committee Members are not aware of any significant events since the end of the reporting period. (2019:Nil)

Note 9 Cash Flow Information

	2020	2019
	\$	\$
Reconciliation of cash flow from operating activities with net current year surplus		
Current year surplus (before other comprehensive income)	464,599	317,989
Cash flows excluded from current year		
Non-cash flows in current year surplus:		
— Depreciation expense	16,943	14,203
Changes in assets and liabilities :		
— (Increase)/decrease in accounts receivable and other assets	(2,988)	(592)
— (Increase)/decrease in prepayments	-	-
— Increase/(decrease) in accounts payable and other payables	(10,866)	(7,000)
	<u>467,688</u>	<u>324,600</u>

Note 10 Association Details

The registered office of the Association is:
104 Bonson Terrace, Moulden NT 0830


ISLAMIC SOCIETY OF PALMERSTON INCORPORATED
ABN: 42 357 174 854
DECLARATION BY COMMITTEE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2020

The Committee Members have determined that the Association is not a reporting entity and that this special purpose financial report is prepared in accordance with the accounting policies stated in note 1 to the financial statements.

The Committee Members declare that the financial statements as set out on page 3 to 11 are in accordance with the requirements of the *Northern Territory of Australia Associations Act* and with the *Australian Charities and Not for Profits Commission Act 2012* and:


- 1 Comply with Australian Accounting Standards as described in note 1 to the financial statements;
- 2 Give a true and fair view of the financial position of the Islamic Society of Palmerston Incorporated as at 30 June 2020, its performance and cash flows for the year ended on that date; and
- 3 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Committee Members and is signed for and on behalf of the Committee Members by:



Shahid Mehmood (President)

Dated 26/09/2020



Usman Siddique (Treasurer)

Dated



Trusted
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLAMIC SOCIETY OF PALMERSTON INCORPORATED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Unqualified Opinion

We have audited the financial report of Islamic Society of Palmerston Incorporated (the "Association"), which comprises the statement of financial position as at 30 June 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Declaration by Members of the Committee.

In our opinion, except for the effects of the matter described in the Basis for Unqualified Opinion section of our report, the accompanying financial report of Islamic Society of Palmerston Incorporated, is in accordance with the requirements of *Division 60 of the Australian Charities and Not-for-profits Commission Act* and the *Northern Territory of Australia Associations Act*, including:

- (a) Giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards to the extent described in Note 1 and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

We have obtained all the information and explanations required from the Association.

Proper accounting records and other records have been kept by the Association as required by the *Northern Territory of Australia Associations Act*.

Basis for Unqualified Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act*, which has been given to the Committee Members of the Association, would be in the same terms if given to the Committee Members as at the time of this auditor's report.

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

Liability limited by a scheme approved under Professional Standards Legislation. Trusted, Chartered Accountants is an independent firm of Chartered Accountants Australia and New Zealand.

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W: www.trustca.com.au



Trusted
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISLAMIC SOCIETY OF PALMERSTON INCORPORATED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)

Committee Members' responsibility for the financial report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view – in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Committee Members are also responsible for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee Members either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

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