

Notes to the Financial Statements

For the Year Ended 31 December 2021

18 Related Parties

The Association's main related parties are as follows:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee Member (whether executive or otherwise) of that entity are considered key management personnel.

There was a change of Key management personnel of the Association during the year. Those acting during each period are outlined below:-

Commencement of year:

Hossam Chmait (Committee Member);
 Zada Zahab (Committee Member);
 Radwan Chmait (Committee Member);
 Mohamed Ali (Committee Member);
 Rayan Yassine (Committee Member);
 Mouhamad Chmait (Committee Member/Financial Controller); and
 Sam Cannavo (Committee Member/Acting Principal).

End of year:

Mohammed Barghachoun (President);
 Anwaar Tradie (Treasurer);
 Ayad Al-Obaidi (Committee Member);
 Rajwan Barghachoun (Committee Member);
 Wasem Ali (Committee Member); and
 Sana Hijazi (Principal).

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Other related parties of the Association during the year were as follows:

- Khyas Pty Ltd, owned and operated by:
 - o Mouhamad Chmait; and
 - o Hossam Chmait;
- SC Education Consultancy owned and operated by:
 - o Sam Cannavo
- Baldovan Building, owned and operated by a relation of:
 - o Hossam Chmait;
- Radwan Chmait;
- Kamal Chmait;
- Mervat Zahab;
- Khaled El Sabsabi;
- Ahmed Ali;
- Manelle Ali;
- Fatma Saraya; and
- Ali Ali.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise

The following transactions occurred with related parties during the year:

	Sales	Purchases	Wages	Balance outstanding		Bad debts allowance
				Owed to the Association	Owed by the Association	
	\$	\$	\$	\$	\$	\$
Key management personnel	7,532	137,689	326,610	3,500	236	1,192
Other related parties	3,636	213,763	32,007	1,873	4,705	1,873
Total	11,168	351,452	358,617	5,373	4,942	3,065

Young Muslim Association Incorporated
ABN: 67 744 523 765

Notes to the Financial Statements

For the Year Ended 31 December 2021

19 Events after the end of the Reporting Period

The financial statements were authorised for issue on 28 June 2022 by the Committee Members.

In addition to its regular funding entitlement, the NSW Department of Education paid the Association \$257,673 of residual funding for the 2021 school year in May 2022. This income has not been reflected as a contractual liability for unspent grant funding in the 2021 year, and will be included in the 2022 school year and associated acquittals.

20 Statutory Information

The registered office and principal place of business of the Association is:

Young Muslim Association Incorporated
14 Lachlan Street
YOUNG NSW 2594

COMMITTEE MEMBERS DECLARATION

For the Year Ended 31 December 2021

The Committee Members declare, in the opinion of the Committee:


1. The financial statements and notes as set out on pages 3 to 16 are in accordance with the *Associations Incorporation Act (NSW) 2009*, and the *Associations Incorporation Regulation (NSW) 2016*, and:

- a) comply with the Australian Accounting Standards - Reduced Disclosure Requirements; and
- b) give a true and fair view of the financial position as at 31 December 2021 and performance for the year then ended.

2. In the Committee's opinion, there are reasonable grounds to believe the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee.

Committee Member  Mohammed Barghachoun

Committee Member  Ayael Alobaiel

Dated: 28 June 2022

YOUNG MUSLIM ASSOCIATION INCORPORATED
ABN: 67 744 523 765

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Young Muslim Association Incorporated (the Association), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, notes to the financial statements and the Committee Members declaration.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of the report, the financial statements are in accordance with the *Associations Incorporation Act 2009 (NSW)*, including:

- (i) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Regulation 2016 (NSW)*.

Basis for Qualified Opinion

During our audit of the 31 December 2020 financial statements, it was evident the Association had significant deficiencies in its internal control environment. Due to the significance of the deficiencies identified, along with the limitations imposed on our scope due to record keeping, we were unable to form an opinion on the financial statements and issued a disclaimer of opinion.

The significant deficiencies identified during the 2020 financial year carried forward into our audit conducted for the year ended 31 December 2021. This along with our inability to form an opinion on the balances reported as at 31 December 2020, resulted in our inability to form an opinion on the:

- a) expenditure reported by the Association for the year ended 31 December 2021; and
- b) disclosure made in relation to related party transactions being arms' length and on normal commercial terms.

We do note however, the deficiencies were resolved by the Association from 1 August 2021, which enabled necessary audit procedures to be performed. On this basis, we were able to form an opinion on the expenditure incurred by the Association for the period 1 August 2021 to 31 December 2021.

Further, from 1 November 2021, the Association appointed new Committee Members. Transactions with related parties between 1 November 2021 and 31 December 2021 were deemed to be on an arms' length basis.

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 Statements* section of our report. We are independent of the Association in accordance with the auditor independence 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.

YOUNG MUSLIM ASSOCIATION INCORPORATED
ABN: 67 744 523 765

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Basis for Qualified Opinion (Continued)

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

Responsibilities of the Committee Members for the Financial Statements

The Committee Members of the Association are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 2009 (NSW)* and for such internal control as the Committee Members determine are necessary to enable the preparation of the financial statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent 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 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 statements.

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 statements, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.

YOUNG MUSLIM ASSOCIATION INCORPORATED
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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the Committee Members' use of the going concern basis of preparation and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 statements or, 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 Association to cease to continue as a going concern.

We communicate with the Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee Members 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.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 29 June 2022

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