South Head & District Synagogue (Sydney) Limited

ABN 30 541 611 034

Annual Report - 31 December 2019

logicca

p: 61 2 8238 6900
f: 61 2 8238 6999

Logicca Assurance Pty Limited

Level 6
151 Macquarie Street
Sydney NSW 2000

GPO Box 5486
Sydney NSW 2001

ACN 119 952 233
ABN 84 119 952 233

www.logicca.com.au

South and Head District Synagogue (Sydney) Limited
Auditors' Independence Declaration
To the Members of South and Head District Synagogue (Sydney) Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm:	Logicca Assurance Pty Limited
Name of Director:	Peter Hersh
Address:	Level 6, 151 Macquarie Street Sydney NSW 2000
Dated this	28 day of May2020

South Head & District Synagogue (Sydney) Limited
Contents
31 December 2019

General information

The financial statements cover South Head & District Synagogue (Sydney) Limited as an individual entity. The financial statements are presented in Australian dollars, which is South Head & District Synagogue (Sydney) Limited's functional and presentation currency.

South Head & District Synagogue (Sydney) Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 May 2020. The directors have the power to amend and reissue the financial statements.

South Head & District Synagogue (Sydney) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue			
Rent		197,016	210,000
Outgoings Recovered		113,363	122,175
		310,379	332,175
Interest revenue calculated using the effective interest method		-	358
Expenses			
Administrators expenses		(309,087)	(352,493)
Depreciation and amortisation expense		(90,286)	(91,068)
Legal fees		(58,472)	(189,695)
Other expenses		(152,156)	(149,119)
Total expenses		(610,001)	(782,375)
Deficit before income tax expense		(299,622)	(449,842)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of South Head & District Synagogue (Sydney) Limited	10	(299,622)	(449,842)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of South Head & District Synagogue (Sydney) Limited		(299,622)	(449,842)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

South Head & District Synagogue (Sydney) Limited
Statement of financial position
As at 31 December 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	3	5,233	-
Trade and other receivables	4	27,334	386,089
Total current assets		32,567	386,089
Non-current assets			
Property, plant and equipment	5	4,466,401	4,556,687
Total non-current assets		4,466,401	4,556,687
Total assets		4,498,968	4,942,776
Liabilities			
Current liabilities			
Loans	6	237,123	-
Other	7	17,550	630,798
Total current liabilities		254,673	630,798
Non-current liabilities			
Loans	8	2,706,748	2,474,809
Total non-current liabilities		2,706,748	2,474,809
Total liabilities		2,961,421	3,105,607
Net assets		1,537,547	1,837,169
Equity			
Reserves	9	1,080,285	1,080,285
Retained surpluses	10	457,262	756,884
Total equity		1,537,547	1,837,169

The above statement of financial position should be read in conjunction with the accompanying notes

South Head & District Synagogue (Sydney) Limited
Statement of changes in equity
For the year ended 31 December 2019

	Issued capital $	Retained profits $	Total equity $
Balance at 1 January 2018	1,080,285	1,206,726	2,287,011
Deficit after income tax expense for the year	-	(449,842)	(449,842)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(449,842)	(449,842)
Balance at 31 December 2018	1,080,285	756,884	1,837,169

	Issued capital $	Retained profits $	Total equity $
Balance at 1 January 2019	1,080,285	756,884	1,837,169
Deficit after income tax expense for the year	-	(299,622)	(299,622)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(299,622)	(299,622)
Balance at 31 December 2019	1,080,285	457,262	1,537,547

The above statement of changes in equity should be read in conjunction with the accompanying notes

South Head & District Synagogue (Sydney) Limited
Statement of cash flows
For the year ended 31 December 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		686,633	44,362
Payments to suppliers (inclusive of GST)		(1,150,462)	(765,214)
		(463,829)	(720,852)
Interest received		-	358
Interest and other finance costs paid		-	(68,479)
Net cash used in operating activities		(463,829)	(788,973)
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		1,986,748	788,973
Repayment of borrowings		(1,517,686)	-
Net cash from financing activities		469,062	788,973
Net increase in cash and cash equivalents		5,233	-
Cash and cash equivalents at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year	3	5,233	-

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers
The company has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Note 1. Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Company has applied AASB 15 : *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and there was no impact on adoption of the new accounting standards.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Property, plant and equipment are brought to account at cost or at independent or directors' valuation, less, where applicable, any accumulated depreciation or amortisation. The directors review the carrying amounts of property, plant and equipment annually to ensure it is not in excess of the recoverable amounts of these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from these assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5%
Plant and equipment	13%-27%
Scrolls	2.5%
Motor vehicles	22.5%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 1. Significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment
The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Current assets - cash and cash equivalents

	2019 $	2018 $
Cash at bank	5,233	-

Note 4. Current assets - trade and other receivables

	2019 $	2018 $
Other receivables	15,281	366,470
BAS- Refund	12,053	19,619
	27,334	386,089

Note 5. Non-current assets - property, plant and equipment

	2019 $	2018 $
Land - at directors' valuation	1,090,000	1,090,000
Buildings - at cost	4,016,690	4,016,690
Less: Accumulated depreciation	(669,065)	(581,098)
	3,347,625	3,435,592
Plant and equipment - at cost	253,567	253,567
Less: Accumulated depreciation	(224,791)	(222,472)
	28,776	31,095
	4,466,401	4,556,687

Note 5. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land $	Buildings $	Plant and equipment $	Total $
Balance at 1 January 2019	1,090,000	3,435,592	31,095	4,556,687
Depreciation expense	-	(87,967)	(2,319)	(90,286)
Balance at 31 December 2019	1,090,000	3,347,625	28,776	4,466,401

Note 6. Current liabilities - loans

	2019 $	2018 $
Secured Loan from K9 Hora Pty Limited	237,123	-

K9 Hora Pty Limited is a related party to South Head & District Synagogue (Sydney) Limited - refer to related party note 11.

Note 7. Current liabilities - other

	2019 $	2018 $
Accrued expenses	50	630,798
Revenue received in advance	17,500	-
	17,550	630,798

Note 8. Non-current liabilities - Loans

	2019 $	2018 $
Secured Loan from YJAB No 1 Pty Limited	-	604,090
Secured Loan from Poppet Holdings Pty Limited	-	603,596
Secured Loan from K9 Hora Pty Limited	-	547,123
Secured Loan from South Head Secured Pty Ltd	2,706,748	720,000
	2,706,748	2,474,809

K9 Hora Pty Limited and South Head Secured Pty Ltd are related parties to South Head & District Synagogue (Sydney) Limited - refer to related party note 11.

Note 8. Non-current liabilities - Loans (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2019 $	2018 $
Secured Loan from YJAB No 1 Pty Limited	-	604,090
Secured Loan from Poppet Holdings Pty Limited	-	603,596
Secured Loan from K9 Hora Pty Limited	237,123	547,123
Secured Loan from South Head Secured Pty Ltd	2,706,748	720,000
	2,943,871	2,474,809

Assets pledged as security
The loans are secured over the company's land and buildings.

Note 9. Equity - reserves

	2019 $	2018 $
Reserve	1,080,285	1,080,285

Note 10. Equity - retained surpluses

	2019 $	2018 $
Retained surpluses at the beginning of the financial year	756,884	1,206,726
Deficit after income tax expense for the year	(299,622)	(449,842)
Retained surpluses at the end of the financial year	457,262	756,884

Note 11. Related party transactions

The property owned by South Head and District Synagoge (Sydney) Limited is leased to Kehillat Kadimah Limited. Two of the directors of South Head and District Synagogue (Sydney) Limited are directors of Kehillat Kadimah Limited.

K 9 Hora Pty Limited had common directors with South Head and District Synagogue (Sydney) Limited during the year.

The following transactions occurred with related parties:

	2019 $	2018 $
Other income:		
Rent and outgoings	310,379	332,175

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 11. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2019 $	2018 $
Current borrowings:		
Loan from K9 Hora Pty Ltd	237,123	-
Non-current borrowings:		
Loan from YJAB No 1 Pty Limited	-	604,090
Loan from K9 Hora Pty Ltd	-	547,123
Loan from South Head Secured Pty Ltd	2,706,748	720,000

Terms and conditions
The loan from K9 Hora Pty Ltd was made on normal commercial terms and conditions and at market rates. K9 Hora Pty Limited has waived all entitlements to interest on this loan up to 31 December 2019.

An amount of $2.52 million of the loan from South Head Secured Pty Ltd has been contributed by certain members of the community, does not attract interest and is repayable 6 years after the loans have been made unless redeemed earlier at the election of South Head Secured Pty Ltd. The remaining balance can attract interest.

Note 12. Events after the reporting period

Subsequent to year end, there has been a global pandemic of the Coronavirus (COVID-19) which was first reported on 30 December 2019. This pandemic continues to evolve quickly and is having significant impact on a large number of entities and many entities now face material uncertainties relating to their ability to continue as going concerns.

As the COVID-19 pandemic evolves on a daily basis, it is difficult to know the true extent of its impact and therefore an estimate of the COVID-19 financial effect cannot be made at the time of signing of these accounts.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

South Head & District Synagogue (Sydney) Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the directors

Neill Desmond Miller

____

28 May 2020

p: 61 2 8238 6900
f: 61 2 8238 6999

Logicca Assurance Pty Limited

Level 6
151 Macquarie Street
Sydney NSW 2000

GPO Box 5486
Sydney NSW 2001

ACN 119 952 233

ABN 84 119 952 233

www.logicca.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH AND HEAD DISTRICT SYNAGOGUE (SYDNEY) LIMITED
ABN: 30 541 611 034

Report on the Audit of the Financial Report

We have audited the financial report of the South and Head District Synagogue (Sydney) Limited, which comprises the statement of financial position as at 31 December 2019, the statement of profit and loss and other comprehensive income and statement of changes in equity for the year then ended, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of the South and Head District Synagogue (Sydney) Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting - Reduced Disclosure Requirements to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for 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 registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

logicca

Other Matter

The financial report of the entity for the year ended 31 December 2018 was unaudited.

Responsibility of the Responsible Entities and Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting - Reduced Disclosure Requirements and ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities 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 the financial report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

Name of firm: Logicca Assurance Pty Limited

Director: Peter Hersh

Address: Level 6, 151 Macquarie Street, SYDNEY NSW 2000

Dated this: 2 June 2020