Moriah War Memorial College Association

Financial report for the year ended 31 December 2018

ACN 000 049 383

ABN 98 077 604 961

Contents

Responsible Entities' Report

Your Responsible Entities' present their report on the Entity for the financial year ended 31 December 2018.

This report deals with the terms Responsible Entities' and Directors interchangeably.

Directors

The names of the Directors in office at any time during or since the end of the year are:

Mr S Jankelowitz (President from 28 May 2018)	Mr E Borecki	Dr S Morris (Resigned 28 August 2018)
Mr M Weininger	Ms M Sonnabend	Mr G Sher (Resigned 28 May 2018)
Mr R Blau	Mr O Freedman	Ms J Kalowski (Appointed 28 May - Resigned 7 Nov 2018)
Mr S Wilkenfeld	Mrs J Lowy	Mr G Friede (Term Expired 28 May 2018)

Legal structure

The Entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Entity. At 31 December 2018, the collective liability of members was $10,290 (2017: $11,290).

Principal Activities

The principal activities of the Entity during the year were that of conducting a school (primary and secondary) and early years' learning.

Short and Long Term Objectives

The Moriah War Memorial Jewish College Association Ltd provides high quality Jewish educational experiences, from the early childhood centre and Long Day Care to Year 12, across its Early Childhood Centre, three Early Learning Centres, Primary School and High School, for the Jewish community.

The long-term objectives of The Moriah War Memorial Jewish College Association Ltd are based on sustainability and continuity. The College does this by building upon the traditions of the past to meet the expectations and aspirations of its key stakeholders – parents, students, teachers and the broader Jewish Community, through the development and growth of:

- A key partnership between the College and Parents that facilitates children being individually supported to achieve their best.
- Resilient and confident citizens and life-long learners who strive to achieve their personal best and feel secure with their Jewish identity.
- Community confidence that the College represents the values of the Jewish Community and develops future leaders of both the Jewish and broader Australian communities.

Strategy for Achieving Short and Long term Objectives

Moriah College focuses on the following key elements in strategic planning to meet both its short and long term objectives. Moriah College's strategic aims are:

1. Embed Jewish traditions, religion, history, ethics, values and culture into every aspect of College life to ensure our students are knowledgeable about Judaism, skilled in its religious practices and engaged members of the Jewish community with a commitment to Jewish continuity.
2. Provide a high standard Jewish education that is innovative, inspiring and grounded, helping our students understand the values that spring from Judaism, and the challenges that face the Jewish world.
3. Deliver the highest quality learning experiences for our students that are personalised, challenging and engaging, creating within them a desire for lifelong learning and commitment to realising their full potential.
4. Provide innovative and contemporary 21st century learning environments that equip students with the ability to meet future challenges as active and responsible global citizens.
5. Provide the highest levels of wellbeing for each student with a holistic school experience grounded in Jewish values, preparing them for their next stage of life.
6. Attract, develop and retain high calibre staff who are and feel valued, are passionate and committed to the education of our students, and who view Moriah as their preferred place of employment
7. Provide challenging co-curricular experiences that promote and build within our students knowledge, team spirit, resilience, independence, self-discipline, responsible decision-making and self-confidence.
8. Provide an inclusive and welcoming school culture where all members of the community feel valued and motivated to engage with the College.
9. Be recognised as a leading advocate for comprehensive sustainability planning and practices.
10. Provide astute College Governance, informed by regular stakeholder feedback, to deliver the future resource and development needs of the College.

To achieve these strategic aims the College's has devised a Strategic Plan with the following structure:

- Foundation Pillar – Jewish Life & Learning
- Pillar 1 - Personalised, Engaged Learning
- Pillar 2 – Student Wellbeing
- Pillar 3 – Passionate, Qualified, Caring, High Calibre Staff
- Pillar 4 – Co-Curricular Life
- Pillar 5 – Community Engagement & Partnerships
- Pillar 6 – Sustainability

Measurement of Performance, including Key Performance Indicators

Moriah College has established several internal advisory committees which assist the Board in monitoring achievement of strategic initiatives. One of these committees is the Jewish Life and Learning Committee.

Each year, the Board approves an Annual Plan to achieve strategic initiatives based on advice from the College Executive and its advisory committees.

The College Principal provides a report to each meeting of the Board that is designed around: the Strategic Plan; the Annual Plan; agreed actions designed to achieve the identified strategic initiatives; and key performance indicators set by the Board.

Each Committee monitors compliance with strategic initiatives relative to their portfolio and reports to the Board on progress, delays and achievements as appropriate.

Each year, as provided for in the Entity's Constitution, a report is provided to the Annual General Meeting of the Association.

The Entity also provides annual returns to the Australian Charities and Not-for-profits Commission (ACNC) which monitors that the Entity is complying with its Objects.

Operating results

In 2018, the Entity made a net loss for the year of $757,048 (2017 profit of: $160,338). The net loss included non-operating revenue of $23,917 (2017: $497,425) and the net loss from operating activities was $780,965 (2017 loss: $337,087).

Review of operations

A detailed review of the operations of the College is contained in the President's Report and the College Principal's Report, included in the full annual report.

In 2018 the Entity undertook a detailed review of leave liabilities as part of its transition to a new HR and Payroll system. During the period, the Entity identified that leave entitlements related to annual leave, for the period ending 31 December 2017 and 31 December 2016 omitted certain eligible employees. The effect of the above has been detailed below.

The result of the additional annual leave accrual is $704,380 of additional expense to be recognised in 2016 and $121,723 in 2017.

The Entity provides a cross guarantee on loans to the Moriah College Building Fund that are part of a debt funding Facility Agreement with the Commonwealth Bank of Australia.

The existing Debt Facility Agreement is considered by the Commonwealth Bank and the College to be a long term debt facility and this is reflected by the Facility Agreement Terms including a principal repayment schedule of $6m every 5 years with the first principal repayment due on 1 January 2021. The debt funding facility was due for review by 30 April 2019. The full loan facility has been classified as a current liability to comply with accounting standards (see Note 14).
The new debt funding facility was finalised and executed by all parties on 11 April 2019.

Significant changes in state of affairs

There were no significant changes in the state of affairs that occurred during the year.

After balance date events

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

Directors' Qualifications

Stephen Jankelowitz **President from 28 May 2018** Qualifications: B Com, CA MAICD Board Member since 2007 Deputy President - May 2016 to May 2018 Honorary Treasurer May 2008 – May 2014 Chartered Accountant and Director	**Robbie Blau** **Deputy President from 28 May 2018** Qualifications: B.Com, LLB (Cum Laude) ADip Tax Law Board member since March 2016 Chief Executive Officer
Marc Weininger **Treasurer since May 2016** Qualifications: B.Com, M.Com, CFP Board member since May 2013 Financial Planner/Own Business	**Miri Sonnabend** **Honorary Secretary since May 2014** Qualifications: BA (Hons), LLB Board member since May 2012 Assistant Secretary May 2013 – May 2014 Company Secretary
Simon Wilkenfeld Qualifications: BCom (UNSW) Major: Accounting, Finance and Systems Board member since May 2011 Managing Director	**Judy Lowy** Qualifications: BA (UNSW) Board Member since May 2008 Foundation President since its inception (2011) Company Director
Gavin Sher (Resigned 23 May 2018) Qualifications: B.Com, H Dip Acc, CA(SA) Board member May 2012 - May 2018 Chief Financial & Operating Officer	**Eric Borecki** Qualifications: B.Com. LLB. (UNSW) Board member since May 2017 Solicitor and Company Director
Oliver Freedman Qualifications: BSc (Psych.), Hons and Masters of Applied Psychology Board member since May 2010 Vice President May 2013 – May 2014 Honorary Secretary May 2012 – May 2014 Managing Director	**Joanna Kalowski (Resigned 7 November 2018)** Qualifications: B.A. (Hons) Dip Ed Board member 28 May 2018 to 7 November 2018 Judicial educator, facilitator & mediator
Suzanne Morris (Resigned 28 August 2018) Qualifications: PhD; BSc (Psych.) Hons; BSc (Medicine), UNSW Board Member - May 2008 to 28 August 2018 Assistant Secretary June 2010 – May 2011 Honorary Secretary May 2011 – May 2012 Vice President May 2012 – May 2014 Deputy President May 2014 – May 2016 University Lecturer	**Giora Friede (Resigned 28 May 2018)** Qualifications: B Econ Sc Board Member - May 1999 to May 2018 Honorary Secretary 2008 – May 2011 Vice President May 2011- November 2012 President since November 2012 to May 2018 Company Director

Meetings of Directors

During the financial year, fourteen (14) meetings of Directors were held. Attendances by each Director during the year were as follows:

Schedule Of Attendances at Board Meetings During 2018		
Name	**Eligible To Attend**	**Attended**
Friede, G *(Term Expired 28 May 2018)*	7	6
Jankelowitz, S *(President from 28 May 2018)*	14	11
Weininger, M	14	12
Sonnabend, M	14	13
Wilkenfeld, S	14	12
Blau, R	14	12
Borecki, E	14	13
Freedman, O	14	13
Lowy, J	14	12
Kalowski, J *(28 May 2018 to 7 Nov 2018)*	6	2
Morris, S *(Resigned 28 August 2018)*	9	7
Sher, G *(Resigned 28 May 2018)*	7	5

Environmental issues

The Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Dividends

No dividends have been paid or will be paid. The Memorandum and Articles of Association do not permit any profits to be distributed by way of a dividend.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not for Profit Commission Act 2012 is set out on page 7 of this financial report and forms part of The Responsible Entities Report.

Signed in accordance with a resolution of the Board of Directors on 30 April 2019:

S. JANKELOWITZ **President**	**M. WEININGER** **Treasurer**

Dated: **30 April 2019**

Auditor’s Independence Declaration

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Note	2018 $	2017 Restated $
Revenue from operating activities	5	42,450,975	40,703,431
Revenue from non-operating activities	5	23,917	497,425
Total revenue		**42,474,892**	**41,200,856**
Employee benefit expense (teaching staff)		(19,677,274)	(19,401,608)
Employee benefit expense (non-teaching staff)		(5,020,393)	(4,529,438)
Expenses & materials		(4,472,060)	(4,156,446)
Staff expenses		(3,476,544)	(3,623,594)
Financing Costs		(236,115)	(177,451)
Depreciation expense		(2,197,277)	(2,156,326)
Building & grounds expense		(4,164,629)	(3,994,041)
Preschool rent		(189,888)	(298,543)
Other expenses		(3,794,871)	(2,703,071)
Moriah contribution to Kehillat Moriah Incorporated		(2,889)	-
Total expenses		**(43,231,940)**	**(41,040,518)**
(Loss) from operating activities		(780,965)	(337,087)
Profit from non-operating activities		23,917	497,425
(Loss)/Profit for the year		**(757,048)**	**160,338**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(757,048)**	**160,338**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2018

	Note	2018	2017 Restated	1 Jan 2017 Restated
		$	$	$
Current assets				
Cash and cash equivalents	8	540,157	2,366,805	1,289,454
Trade and other receivables	9	3,561,326	2,499,439	4,063,204
Other current assets	11	247,884	149,673	247,536
Inventory	12	291,557	269,261	-
Total current assets		**4,640,924**	**5,285,178**	**5,600,194**
Non-current assets				
Trade and other receivables	9	9,792,382	10,098,549	12,159,009
Property, plant and equipment	13	15,833,940	11,984,311	12,084,266
Total non-current assets		**25,626,322**	**22,082,860**	**24,243,275**
Total assets		**30,267,246**	**27,368,038**	**29,843,469**
Current liabilities				
Trade and other payables	14	4,658,921	3,196,416	3,339,783
Financial liabilities	15	1,759,444	453,878	2,661,942
Employee benefits	16	3,286,237	3,493,511	3,437,385
Contractual liabilities	17	1,143,138	825,100	739,945
Total current liabilities		**10,847,740**	**7,968,905**	**10,179,055**
Non-current liabilities				
Financial liabilities	15	641,728	180,728	587,749
Employee benefits	16	403,696	382,275	400,873
Contractual liabilities	17	295,000	-	-
Total non-current liabilities		**1,340,424**	**563,003**	**988,622**
Total liabilities		**12,188,164**	**8,531,908**	**11,167,677**
Net assets		**18,079,082**	**18,836,130**	**18,675,792**
Equity				
Retained earnings		18,079,082	18,836,130	18,675,792
Total equity		**18,079,082**	**18,836,130**	**18,675,792**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2018

	Retained Earnings $	Total $
Balance at 1 January 2017 (originally reported)	**19,380,172**	**19,380,172**
Adjustment on error correction	(704,380)	(704,380)
Balance at 1 January 2017 (restated)	**18,675,792**	**18,675,792**
Total comprehensive profit (originally reported)	38,615	38,615
Adjustment of error correction	121,723	121,723
Total comprehensive profit (restated))	**160,338**	**160,338**
Restated Balance at 31 December 2017	**18,836,130**	**18,836,130**
Total comprehensive (loss)	(757,048)	(757,048)
Balance at 31 December 2018	**18,079,082**	**18,079,082**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 $	2017 $
Cash flow from operating activities			
Receipts from parents and donations		33,163,417	31,665,456
Government grants received		7,334,805	6,843,919
Interest received	5	6,140	14,500
Payments to suppliers & employees		(38,557,617)	(36,622,942)
Donations from Moriah Foundation		2,031,951	1,515,163
Finance costs		(155,757)	(149,232)
Interest paid		(80,358)	(28,219)
Net cash provided by operating activities	**25**	**3,742,581**	**3,238,645**
Cash flows from investing activities			
Purchase of property, plant & equipment		(5,253,992)	(2,104,951)
Proceeds from sale of assets		425,606	25,290
Loans from related parties		(1,290,913)	2,454,083
Net cash provided by/(used in) investing activities		**(6,119,299)**	**374,422**
Cash flow from financing activities			
Finance lease payments		(650,377)	(789,054)
Proceeds from/(Repayment of) borrowings		1,200,447	-
Net cash (used in)/provided by financing activities		**550,070**	**(789,054)**
Net increase /(decrease) in cash and cash equivalents held		**(1,826,648)**	**2,824,013**
Cash and cash equivalents at beginning of financial year		2,366,805	(457,208)
Cash and cash equivalents at end of financial year	**8**	**540,157**	**2,366,805**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 December 2018

Note 1: General Information and Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not for Profit Commission Act 2012. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Boards (IASB) cannot be made due to the College applying not-for-profit specific requirements contained in The Australian Accounting Standards.

The Association is domiciled in New South Wales, Australia. The Association is a not-for-profit entity limited by guarantee.

Basis of preparation

The Association has elected not to prepare consolidated financial statements, the exemption from consolidation has been used and instead the association has prepared separate financial statements.

The consolidated accounts are prepared under *Moriah War Memorial College Association and its controlled entities* and is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not for Profit Commission Act 2012. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Boards (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in The Australian Accounting Standards.

The following entities are included within the consolidated group as 100% controlled;

- Moriah War Memorial College Association;
- The Moriah War Memorial Jewish College Association Limited;
- Kehillat Moriah Incorporated;
- Moriah College Building Fund & Moriah War Memorial Fund;
- Moriah College Scholarship Fund;
- Moriah College Building Fund No.2;
- Moriah College Library; and
- Moriah College Foundation.

The consolidated financial statements can be obtained from the principle place of business.

The registered office and principal place of business of the Consolidated Group is:

The Moriah War Memorial College Association
The Henry Roth Administration Building
3 Queens Park Road
BONDI JUNCTION NSW 2022

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts have been presented in Australian dollars which is the Entity's functional and presentation currency, unless otherwise stated.

The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the significant accounting policies adopted in the preparation of the accounts.

The financial statements for the year ended 31 December 2018 were approved and authorised for issue by the Board of Directors on 30 April 2019.

Correction to prior period balances

During the period, the Entity identified that leave provisions related to annual leave for the period ending 31 December 2016 and 2017 had omitted eligible employees. The effect of the above has been detailed below;

This error has been rectified by restating each of the affected financial statement line items for the prior period as follows:

Statement of profit or loss and other comprehensive (extract)

	31 December 2017		
	Previous Amount	Adjustment	Restated Amount
Total Staff Expenses	$3,745,317	($121,723)	$3,623,594
Total Expenses	$41,162,241	($121,723)	$41,040,518
Operating (loss)/surplus for the y	($458,810)	$121,723	($337,087)
Total comprehensive for the yea	$38,615	$121,723	$160,338

	31 December 2017			31 December 2016		
	Previous Amount	Adjustment	Restated Amount	Previous Amount	Adjustment	Restated Amount
Annual leave provision	$165,933	$447,306	$613,239	$161,920	$511,419	$673,339
Payable from Related Party	$1,720,665	($29,351)	$1,691,314	$1,796,331	$29,947	$1,826,278
Receivable from Related Party	$989,431	($164,702)	$824,729	$2,317,240	$163,014	$2,480,254
Retained Earnings	$19,418,787	($582,657)	$18,836,130	$19,380,172	($704,380)	$18,675,792

Note 2: Changes in accounting policies

2 New and revised standards that are effective for these financial statements

- ***AASB 9 Financial Instruments***

  AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* .
  It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. When adopting AASB 9, the Entity has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

- ***AASB 101 Presentation of Financial Statements***

  The Entity is guided by AASB 101 regarding presentation of these financial statements, particularly in relation to the amendment to prior period that is discussed in Note1 and reflected in the Statement of Financial Position.

- ***AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors***

  During the period, the Entity identified that leave provisions related to annual leave for the period ending 31 December 2017 had been incorrectly accounted. AASB 108 has been applied by the Entity to rectify this error.

2 New Accounting Standard issued but not yet effective

- **AASB 15: *Revenue from Contracts with Customers,*** as a Not for Profit this standard is effective from the reporting period beginning 1 January 2019, and replaces AASB 118: Revenue, AASB 111: Construction Contracts and some revenue related interpretations. The Entity's assessment is that there will be no material impact from the adoption of AASB 15.
  Tuition fees are recognised in the year that they are received. However, any prepayments are recognised as a liability and only recognised in the year that the payment is linked to the provision of tuition.
  Fee support in the form of discounts, allowances and subsidies is only recognised against the fees as they are due.

- **AASB 16: *Leases*** , as a Not for Profit this standard is effective from the reporting period beginning 1 January 2019, and replaces accounting requirements applicable to leases in AASB 117: Leases and related interpretations.
  Where the Entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.
  The Entity has elected to adopt the exemption for low value assets where appropriate.
  The Entity's assessment is that adoption of this standard will result in an increase in lease assets and financial liabilities recognised in the statement of financial position initially which will then stabilise due to new leases replacing expiring leases.

- **AASB 1058: *Income of Not-for-Profit Entities*** , effective from the reporting period beginning 1 January 2019, clarifies and simplifies the income recognition requirements that apply to NFP entities. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset received by an entity. The Entity is yet to undertake a detailed assessment of the impact of AASB 1058. However based on the Entity's preliminary assessment, the likely impact on the first time adoption will not be material.

Note 3: Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. Measurement basis is more fully described in the accounting policies below.

a. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

Fee income is recognised as revenue when the services are delivered.

Contributions (including donations and government grants) received or receivable are recognised as revenue when the Entity obtains control of the contribution or the right to receive the contribution, when it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Contributions, (including donations) received or receivable, are recognised as revenue when the College obtains control of the contribution or the right to receive the contribution, when it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

Donations collected, including cash and goods for re-sale, are recognised as revenue when the College gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the College becomes legally entitled to the shares or property.

Government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate when there is reasonable assurance that the College will comply with the conditions attaching to them and the grants will be received.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Note 3: Summary of accounting policies (cont)

b. Property, Plant & Equipment

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

Property

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The cost of fixed assets constructed within the Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis except for motor vehicles over their useful lives to the Entity commencing from the time the asset is held ready 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 Asset	**Depreciation Rate**	
Buildings & Other Building Costs	2.5%	Straight Line
Plant and Equipment	10.0% to 33.3%	Straight Line
Motor Vehicles	22.5%	Straight Line
WIP		Not applicable

c. Employee Benefits

Provision is made for the Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using the government bond rate that represents expected payment.

Contributions are made by the Entity to an employee Superannuation Fund and are charged as expenses when incurred. The Entity has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

d. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts and deposits held at call with banks.

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

e. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Note 3: Summary of accounting policies (cont)

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Entity makes use of a simplified approach in accounting for trade and other receivables records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Accounting policies applicable to comparative period (31 December 2017)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss (FVPL)
- Held-To-Maturity (HTM) investments
- Available-For-Sale (AFS) financial assets

All financial assets except for those at FVPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities.

The Entity's AFS financial assets include listed securities. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within revenue.

Note 3: Summary of accounting policies (cont)

f. Contractual Liabilities

Contractual liabilities are deferred revenues and income being the upfront receipt of fees and deposits from students or unutilised amounts of grants and/or bequests received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant.

Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

g. Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from or payable to the taxation authority is included as a current asset or a current liability in the statement of financial position.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Comparative Figures

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

i. Significant management judgement in applying accounting policies

The Directors evaluate estimates and judgments incorporated into the financial report 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 Entity.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Allowance for credit losses

Included in accounts receivables at 31 December 2018 are amounts receivable that may not be recoverable. A provision for impairment has been made amounting to $3,650,551 for 2018 (2017: $3,217,612).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

j. Inventory

Inventory comprises goods for resale and goods for distribution at no or nominal consideration as part of the Entity's charitable activities. Inventories may be purchased or received by way of a donation.

k. Goods for resale

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Entity were fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

l. Goods held for distribution

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

m. Operating Leases

Where the Entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Note 4: Income tax expense

The Entity is exempt from liability to pay income tax under the provisions of the Income Tax Assessment Act 1997

Note 5: Revenue and income

Operating activities	Note	2018 $	2017 $
Tuition fees charged	5(a)	28,634,705	27,574,600
Compulsory charges	5(a)	2,814,608	2,850,090
Enrolment fees		22,081	29,999
Government grants		7,334,805	6,843,919
Interest received		6,140	14,500
Sundry income		1,167,516	501,145
Donations - recurrent	7	91,076	162,035
Contribution from Moriah College Foundation Limited		2,034,840	1,515,163
Contribution from Moriah War Memorial Jewish College Association limited		345,204	1,211,980
Total operating income		**42,450,975**	**40,703,431**

Non-operating activities	Note	2018 $	2017 $
Donations - non-recurrent	7	23,917	497,425
Total non-operating income		**23,917**	**497,425**

(a) Reconciliation of fees charged

	2018 $	2017 $
Tuition fees	31,250,522	29,476,973
Compulsory charges	2,814,608	2,850,090
Total gross fees	**34,065,130**	**32,327,063**
Less:		
Discounts & allowances	(2,615,817)	(1,902,373)
Net fees charged	**31,449,313**	**30,424,690**

Note 6: Profit for the year

Profit for the year is stated after (crediting)/charging:	2018 $	2017 $
(Gain)/loss on sale of motor vehicles	2,024	(18,817)
Depreciation of plant and equipment	2,197,277	2,156,326
Interest paid or payable other than to associated entities	21,890	33,706

Note 7: Donations

Donations	2018 $	2017 $
The Trust Company – Abraham Rabinovitch Trust	91,076	162,035
Other	23,917	497,425
	114,993	**659,460**

Note 8: Cash and cash equivalents

	Note	2018 $	2017 $
Cash on hand	8a	7,630	8,230
Cash at bank		383,265	1,369,902
Short term deposits		149,262	988,673
		540,157	**2,366,805**

Note 8a: Reconciliation of cash

	Note	2018 $	2017 $
Cash on hand	8	7,630	8,230
Cash equivalents		532,527	2,358,575
Bank overdrafts; secured	15	(1,200,447)	-
		(660,290)	**2,366,805**

Note 9: Trade and other receivables

Current	2018 $	31-Dec-17 Restated $	1-Jan-17 Restated $
Outstanding fees	4,745,532	4,203,282	4,203,282
Less: Allowance for credit losses	(3,650,551)	(3,217,612)	(3,217,612)
	1,094,981	**985,670**	**985,670**
Other debtors	479,313	505,641	505,641
GST recoverable	303,940	183,399	183,399
Receivable from related parties	1,683,092	989,431	824,729
	3,561,326	**2,664,141**	**2,499,439**
Non-Current			
Receivable from related parties	9,792,382	10,098,549	10,098,549
	9,792,382	**10,098,549**	**10,098,549**

All fees receivable are short term. The carrying amount of fees receivables is considered a reasonable approximation of fair value. All fees receivable have been reviewed for indicators of impairment. A provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. These amounts have been included in the other expenses item.
The receivable from related parties is non-interest bearing and relates to Moriah Foundation Limited & Kehillat Moriah Incorporated.
The loan to associated entities relates to loans provided to Moriah College Building Fund and Moriah War Memorial Fund.
The loans are considered to be long term with no formal terms and conditions and are in substance long term investments.

Reconciliation of allowance for credit losses	Opening Balance 1/01/2018	Charge for the Year	Amounts Written Off	Closing Balance 31/12/2018
	3,217,612	601,407	(168,468)	3,650,551
Total	**3,217,612**	**601,407**	**(168,468)**	**3,650,551**

Reconciliation of allowance for credit losses	Opening Balance 1/01/2017	Charge for the Year	Amounts Written Off	Closing Balance 31/12/2017
	2,394,989	822,623	-	3,217,612
Total	**2,394,989**	**822,623**	**-**	**3,217,612**

The ages of financial assets not impaired are as follows:

Trade debtors amounts within terms	2018 $	2017 $
Current or not more than 1 term	878,694	828,458
Trade debtors – past due but not impaired		
More than 2 terms but not more than 3 terms	86,287	17,825
More than 3 terms but not more than 4 terms	-	239
More than 4 terms	130,000	139,148
	1,094,981	**985,670**

Note 10: Financial assets and liabilities

Note 3 provides a description of each category of financial assets and financial liabilities and the related accounting policies.
All financial assets and financial liabilities were held at amortised costs for both the years ending 2018 and 2017.

Financial assets	Amortised Cost 2018 $	Amortised Cost 2017 $
Current		
Cash and cash equivalents	540,157	2,366,805
Trade and other receivables	3,561,326	2,499,439
Total financial assets	**4,101,483**	**4,866,244**
Non-current		
Trade and other receivables	9,792,382	10,098,549
Total financial assets	**9,792,382**	**10,098,549**
Financial liabilities		
Current		
Trade and other payables	4,658,921	3,196,416
Financial liabilities	1,759,444	453,878
Total financial liabilities	**6,418,365**	**3,650,294**
Non-current		
Financial liabilities	641,728	180,728
Total financial liabilities	**641,728**	**180,728**

Note 11: Other assets

Current	2018 $	2017 $
Prepayments	247,884	149,673
Total	**247,884**	**149,673**

Note 12: Inventory

	2018 $	2017 $
Inventory	291,557	269,261
Total	**291,557**	**269,261**

Note 13: Property, plant and equipment

Land and buildings	2018 $	2017 $
Land		
At cost	**427,142**	**427,142**
Buildings - Shya Redelman Campus, 113-115 Glenayr Avenue, Bondi Beach		
At cost	1,604,147	1,604,147
Less: accumulated depreciation	(638,484)	(598,380)
	965,663	**1,005,767**
Other building costs including WIP		
At cost	12,508,288	8,849,433
Less: accumulated depreciation	(2,517,798)	(2,341,912)
	9,990,490	**6,507,521**
Total land and buildings	**11,383,295**	**7,940,430**
Plant and equipment (including furniture & fittings)		
At cost	25,739,611	24,290,541
Less: accumulated depreciation	(21,682,299)	(20,573,894)
Total Plant and equipment	**4,057,312**	**3,716,646**
Motor vehicles		
At cost	1,304,066	1,039,171
Less: accumulated depreciation	(910,733)	(711,936)
Total motor vehicles	**393,333**	**327,235**
Total property, plant and equipment	**15,833,940**	**11,984,311**

Movements in Carrying Amounts	Land $	Buildings & Work in Progress $	Plant and Equipment $	Motor vehicles $	Total $
Balance at 1 January 2017	**427,142**	**7,255,401**	**4,003,069**	**398,654**	**12,084,266**
Additions	-	600,785	1,464,032	40,133	2,104,950
Disposals	-	-	-	(48,579)	(48,579)
Transfer	-	-	-	-	-
Depreciation expense	-	(342,898)	(1,750,455)	(62,973)	(2,156,326)
Balance at 31 December 2017	**427,142**	**7,513,288**	**3,716,646**	**327,235**	**11,984,311**
Additions	-	3,806,434	2,460,121	203,933	6,470,488
Disposals	-	-	(398,795)	(24,787)	(423,582)
Transfer	-	146,804	(215,313)	68,509	-
Depreciation expense	-	(417,197)	(1,598,523)	(181,557)	(2,197,277)
Balance at 31 December 2018	**427,142**	**11,049,329**	**3,964,136**	**393,333**	**15,833,940**

There is a capital commitment contracted for at balance date, but not provided for of $748,238 in 2018 (2017: $1,841,000).

Note 14: Trade and other payables

Current	2018 $	31-Dec-17 Restated $	1-Jan-17 Restated $
Trade creditors	698,141	344,324	344,324
Sundry payables	608,680	532,627	532,627
Accrued expenses	1,210,307	628,151	628,151
Loans from associated entities	2,141,793	1,720,665	1,691,314
Total	**4,658,921**	**3,225,767**	**3,196,416**

Note 15: Financial liabilities

Current	2018 $	2017 $
Bank overdraft	1,200,447	-
Hire purchase loans	558,997	453,878
Total	**1,759,444**	**453,878**

Non-current		
Hire purchase loans	641,728	180,728
Total	**641,728**	**180,728**

The bank overdraft is secured by a registered mortgage over various properties owned by the College.

The Trustees of the Moriah College Building Fund have provided a mortgage of lease and a fixed and floating charge in favour of the Commonwealth Bank of Australia (Refer Note 20).

The Moriah War Memorial College Association has provided unlimited guarantees and indemnities to the Commonwealth Bank of Australia in relation to the debts of The Moriah College Building Fund (Refer Note 20).

The Moriah War Memorial Jewish College Association Limited has provided unlimited guarantees and indemnities to the Commonwealth Bank of Australia in relation to the debts of the Moriah War Memorial College Association (Refer Note 20).

As also identified above, the College provides a cross guarantee on loans to the Moriah College Building Fund part as of a debt funding Facility Agreement with the Commonwealth Bank of Australia. This Debt Facility Agreement is considered by the Commonwealth Bank and College to be a long term debt facility which is reflected in the Facility Agreement's principal repayment schedule of $6m every 5 years with the first principal repayment due on 1 January 2021. However, a Facility Review commencing in February 2019 means that the loan facility be recorded as a Current Liability for the Moriah College Building Fund. The Debt Facility was was finalised and executed by all parties on 11 April 2019 and the $30.76m in Bank Loans will then revert back to non-current with $6m due for repayment on 1 January 2021.

Note 16: Employee benefits

Current	2018 $	31-Dec-17 Restated $	1-Jan-17 Restated $
Employee benefits - Annual Leave	606,274	165,933	613,239
Employee benefits - Long Service Leave	2,679,963	2,880,272	2,880,272
Total	**3,286,237**	**3,046,205**	**3,493,511**
Non-Current			
Employee benefits - Long Service Leave	403,696	382,275	382,275
Total	**403,696**	**382,275**	**382,275**

Note 17: Other liabilities

Current	2018 $	2017 $
Contractual liabilities	1,143,138	825,100
Total - Current Other Liabilities	**1,143,138**	**825,100**
Non Current	**$**	**$**
Contractual liabilities	295,000	825,100
Total - Current Other Liabilities	**295,000**	**825,100**

Note 18: Members funds

The Entity is limited by guarantee and does not have any share capital. Were the Entity to be wound up, the Articles of Association state that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the Entity. As at 31 December 2018 the number of members was 1,029 (2017: 1,129).

Note 19: Financial instruments

a. Financial Risk Management Policies

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases. When managing capital, Moriah's objective is to ensure that the organisation continues as a going concern, as well as to maintain optimal benefits for stakeholders. Moriah aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The main purpose of non-derivative financial instruments is to raise finance for Entity's operations.

The Entity does not have any derivative instruments at 31 December 2018. See Note 15 for a summary of Entity's financial liabilities by category.

i Treasury Risk Management

A Finance and Audit Committee consisting of members of the Board of Directors and management meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the Entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements. The Finance and Audit Committee oversees how management monitors compliance with the Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity.

ii Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

iii Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. The Entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at the balance sheet date are as follows:

	Floating Interest Rates 2018	Non-Interest Bearing 2018	Total 2018	Weighted Effective Interest 2018
Financial Assets	**$**	**$**	**$**	**%**
Cash	532,527	7,630	540,157	-
Receivables	-	13,353,708	13,353,708	-
Total Financial Assets	532,527	13,361,338	13,893,865	
Financial Liabilities				
Accounts Payable	-	1,306,821	1,306,821	-
Borrowings	2,401,172	2,141,793	4,542,965	6%
Total Financial Liabilities	2,401,172	3,448,614	5,849,786	

	Floating Interest Rates 2017	Non-Interest Bearing 2017	Total 2017	Weighted Effective Interest 2017
Financial Assets	**$**	**$**	**$**	**%**
Cash	2,358,575	8,230	2,366,805	-
Receivables	-	12,597,988	12,597,988	-
Total Financial Assets	2,358,575	12,606,218	14,964,793	
Financial Liabilities				
Accounts Payable	-	1,505,102	1,505,102	-
Borrowings	634,606	1,691,314	2,325,920	6%
Total Financial Liabilities	634,606	3,196,416	3,831,022	

iv Foreign currency risk

Most of Entity's transactions are carried out in Australian Dollars. Exposures to currency exchange rates arise from a small amount of the Entity's overseas purchases, which are primarily denominated in US-Dollars and Euro. These funds are only held in the short term and therefore the impact is considered immaterial. At 31 December 2018, the amounts in aggregate were $347,919 (2017: $470,398).

To mitigate the Entity's exposure to foreign currency risk, the Entity maintains Australian bank accounts denominated in both US-Dollars and Euro.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate.

v Liquidity risk

The Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Note 19: Financial instrument (cont)

a. Financial Risk Management Policies (Cont)

vi Credit risk

Credit risk is the risk of financial loss arising from another party to a contract or financial obligation. The Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet net of any provisions for doubtful accounts.

Financial Assets	Banks 2018 $	Other 2018 $	Total 2018 $
Cash	532,527	7,630	540,157
Receivables	-	13,353,708	13,353,708
Total Financial Assets	**532,527**	**13,361,338**	**13,893,865**

Financial Assets	Banks 2017 $	Other 2017 $	Total 2017 $
Cash	2,358,575	8,230	2,366,805
Receivables	-	12,597,988	12,597,988
Total Financial Assets	**2,358,575**	**12,606,218**	**14,964,793**

vi Credit risk

There is no material amount of collateral held as security at 31 December 2018 or as at 31 December 2017.

Credit risk is reviewed regularly by the Finance and Audit Committee. It arises from exposures to customers as well as through deposits with financial institutions.

The Entity is exposed to a high degree of credit risk exposure from trade receivables. Trade receivables at 31 December 2018 are: $1,094,981 [2017 $985,670].

Although debt facility is recognised as current due to a scheduled review of the Facility Agreement in February 2019, the Facility is considered long term debt by the College and the lender. The first principal repayment is not due until 1 January 2021. See additional comments in Note 15.
The new debt funding facility was finalised and executed by all parties on 11 April 2019.

vii Price risk

The Entity is not exposed to any price risk.

b. Financial Liabilities Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2018	Current Interest rate %	$ Not later than 1 month	Current $ 1 to 3 months	$ 3 months to 1 year	Non-current $ 1 to 5 years
Trade payables		4,658,921	-	-	-
Hire purchase loans	5.75	157,726	167,207	234,064	641,728
Bank Overdraft		1,200,447	-	-	-
Total		**4,816,647**	**167,207**	**234,064**	**641,728**

2017	Current Interest rate %	$ Not later than 1 month	Current $ 1 to 3 months	$ 3 months to 1 year	Non-current $ 1 to 5 years
Bank overdraft		-	-	-	-
Trade payables		3,196,416	-	-	-
Hire purchase loans	5.75	48,608	101,202	303,469	180,728
Total		**3,245,024**	**101,202**	**303,469**	**180,728**

c. Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

Financial assets	2018 Carrying Amount $	Net fair Value $	2017 Carrying Amount $	Net fair Value $
Loans and receivables	13,353,708	13,353,708	12,597,988	12,597,988
Total	**13,353,708**	**13,353,708**	**12,597,988**	**12,597,988**
Financial liabilities				
Bank loan secured	-	-	-	-
Trade and other payables	3,448,614	3,448,614	3,196,416	3,196,416
Hire Purchase Loans	1,200,725	1,200,725	634,007	634,007
Total	**4,649,339**	**4,649,339**	**3,830,423**	**3,830,423**

Note 20: Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2018 and 31 December 2017:

	Level 1	Level 2	Level 3	Total
31-Dec-18	**$**	**$**	**$**	**$**
Assets				
Cash	540,157	-	-	**540,157**
Receivables	13,353,708	-	-	**13,353,708**
Net fair value	**13,893,865**	**-**	**-**	**13,893,865**
31-Dec-17				
Assets				
Cash	2,366,805	-	-	**2,366,805**
Receivables	12,597,988	-	-	**12,597,988**
Net fair value	**14,964,793**	**-**	**-**	**14,964,793**

	Level 1	Level 2	Level 3	Total
31-Dec-18	**$**	**$**	**$**	**$**
Liabilities				
Trade and other payables	4,658,921	-	-	**4,658,921**
Financial liabilities	2,401,172		-	**2,401,172**
Net fair value	**7,060,093**	**-**	**-**	**7,060,093**
31-Dec-17				
Liabilities				
Trade and other payables	3,196,416	-	-	**3,196,416**
Financial liabilities	634,606	-	-	**634,606**
Net fair value	**3,831,022**	**-**	**-**	**3,831,022**

There were no transfers between Level 1, Level 2 or Level 3 in 2018 or 2017.

Note 21: Contingent liabilities

The Entity is liable by virtue of existing cross guarantees for the debts incurred by the Moriah College Building Fund and the Moriah War Memorial Fund, and the Moriah War Memorial College Association, which are secured through registered mortgages over various College properties. Effective 20 December 2018, an undertaking was given to increase the Equipment Leasing from $1.5m to $3.0m which was finalised in January 2018. The amount of the debts covered by these cross guarantees are:

- Market Rate Loan Facility of $31,100,000 ($11.974m fixed & $18.736m variable);
- Overdraft facility of up to $2,500,000 *($1,000,000 from March to November)* ;
- Equipment Financing Facility of up to $3,000,000; and
- Corporate Charge Card Facility of up to $100,000.

The Moriah War Memorial Jewish College Association Limited has provided unlimited guarantees and indemnities to the Commonwealth Bank of Australia on 17 February 2014 (see Note 15).

The College received Block Grant Authority (BGA) P21 BER Funding from the Association of Independent Schools New South Wales Block Grant Authority in the amount of $2.7m over the 3 years of the grant with the final entitlement being received in 2011.
Under the P21 funding conditions there is a possibility that the Australian Government may require repayment of a portion of the grant if the College were to close within 20 years of the grant being given. The College does not expect that it will be required to repay any of the P21 BER grant as it expects to continue operating in the foreseeable future.
At balance date, the calculated contingent liability relating to the BGA P21 grant has been calculated as $1.755m.

Note 22: Lease commitments

Moriah War Memorial College Association's lease commitments with Sir Moses Montefiore Jewish Home for use of the land occupied by the then John I Einfeld AM Preschool Campus in Randwick ended in April 2018 when the lease expired and the College vacated the site. The College subsequently leased space at Kehillat Kadimah on Old South Head Road until our new Early Learning Campus on the Entity's Queens Park site became available.

The College has in place a lease on premises beneficially owned by The Trustees of the Mount Zion Kindergarten, currently operating as the Simons-Redelman Early Childhood Centre at Rose Bay. The Lease is for a period of a further one year from 31 December 2018, with extended term options available, if exercised. Rent increases are set at CPI under the lease terms. The rent and outgoings on the premises is approximately $100,000 per annum.

As reported in 2014, the Trustees of the Moriah College Building Fund finalised the acquisition of freehold property comprising the Moriah College site (incorporating the existing three separate titles of land at York Road and Queens Park Road, Queens Park) from the New South Wales State Property Authority. All commitments to the New South Wales State Property Authority under this arrangement have been finalised.

The Moriah College Building Fund now leases the premises to The Moriah War Memorial College Association.

Lease Commitment schedule

	1 Year	2-5 Years	5+ Years	TOTAL
Operating Leases - CBA	357,472	269,283	-	626,755
Total	**357,472**	**269,283**	**-**	**626,755**

Note 22a: Finance lease commitments

The Entity has finance lease commitments for equipment and vehicles as follows:

a Finance lease commitments	**2018 $**	**2017 $**
Payable – minimum lease payments:		
▪ not later than twelve (12) months	558,997	453,878
▪ between twelve (12) months and five (5) years	641,728	180,728
Less future finance charges	92,557	91,676
Present value of minimum lease payments	1,108,168	542,930

Note 23: Auditors' remuneration

Remuneration of the auditor of the Entity for:	**2018 $**	**2017 $**
- Auditing the financial report	83,595	96,746
- Review of leave balances as part of HR/Payroll system implementation	114,864	-
- FBT Advice	1,955	5,705
- Acquittal of Grant Funds	3,900	3,872
	204,314	**106,323**

Note 24: Related party disclosures

The Directors of Moriah War Memorial College Association during the financial year were:

Mr S Jankelowitz (President from 28 May 2018)	Mr E Borecki	Dr S Morris (Resigned 28 August 2018)
Mr M Weininger	Ms M Sonnabend	Mr G Sher (Resigned 28 May 2018)
Mr R Blau	Mr O Freedman	Ms J Kalowski (Appointed 28 May - Resigned 7 Nov 2018)
Mr S Wilkenfeld	Mrs J Lowy	Mr G Friede (Term Expired 28 May 2018)

The following related party transactions occurred during the financial year.
Fees (and other revenue) were received by the Entity from the Directors of the Entity under normal terms and conditions. In 2018, no Directors (2017: no Directors) have received or become entitled to receive a benefit, by reason of a contract made by the Entity or a Related Corporation with the Directors or with a firm of which they are a member or a Director, or with a Entity in which they have a substantial financial interest undertaken in the normal course of business at or less than competitive rates.

There are no family members of Directors of the Entity who are employed by the College in the ordinary course of its activities.

Note 24: Related party disclosures (cont)

During the normal course of business, loans are made to and from Moriah War Memorial Jewish College Association Limited. These loans are free of interest and payable on demand. As at 31 December 2018, the amount payable on this loan was $2,141,793 (2017: $1,691,314).

As at 31 December 2018, the loan receivable from Kehillat Moriah Incorporated was $280,912 (2017: nil)

In 2018 an interest free loan of $9,792,382 (2017: $10,098,549) has been provided to the Moriah College Building Fund. These funds have been provided to the Building Fund to meet its financial obligations from prior years' construction of the new Primary School on the Queens Park Campus. This loan is being repaid in a manner agreed between the entities.

During 2018, a management fee of $345,204 (2017: $1,211,980) was received from The Moriah War Memorial Jewish College Association Limited. This fee has been calculated on the basis of an agreed formula between the entities.

During 2018, a management fee income is $2,889 (2017: nil) was received from Kehillat Moriah Incorporated This fee has been calculated on the basis of an agreed formula between the entities.

In 2018, a total of $2,034,840 (2017: $1,515,163) of grants were received from the Foundation during the year.

The following remuneration has been paid in aggregate to the key management personnel of the Entity during the year.

Key Management Personnel Remuneration (Short-Term Benefits)

	Salary	Non-cash benefit	Superannuation	Short-term benefits	Long-term benefits	Total
	$	$	$	$	$	$
2018	1,012,075	25,952	96,147	95,292	21,937	**1,251,403**
2017	1,091,450	25,952	105,016	105,637	23,984	**1,352,039**

Non-cash benefit relates to motor vehicles provided to key management personnel.

Note 25: Cash flow information

Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax	**2018**	**2017**
	$	**$**
(Loss)/Profit after income tax	**(757,048)**	**38,615**
Non-cash flows in profit		
Depreciation	2,197,277	2,156,326
Income received from Moriah War Memorial Jewish College Association Ltd	(345,204)	(1,211,980)
Building Fund rent	1,534,400	2,070,500
(Loss) on sale of motor vehicles	(2,024)	(18,817)
Leased assets	-	(37,261)
Donation of uniforms	-	(269,261)
Changes in assets and liabilities		
(Increase)/Decrease in trade and other debtors	(203,524)	234,268
Increase/(Decrease) in creditors and accruals	1,012,026	(8,404)
(Decrease)/Increase in provisions	(185,853)	101,641
Decrease/(Increase) in other current assets	(22,296)	97,863
(Increase) in inventories	(98,211)	-
Increase in contract liabilities	613,038	85,155
	3,742,581	**3,238,645**

Non-cash transactions relating to the acquisition of property, plant and equipment by means of finance leases of $1,615,291 and disposals of property, plant, and equipment obtained by finance leases of $398,795 have not been disclosed the above note.

Note 26: Events after the balance sheet date

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

Note 27: Capital management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund operations. The Finance and Audit Committee ensures that the overall risk management strategy is in line with this objective.

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis.

The entity's capital consists of financial liabilities, supported by financial assets. Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

Note 28: Entity details

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

Moriah War Memorial College Association
The Henry Roth Administration Building
3 Queens Park Road
BONDI JUNCTION NSW 2022

Directors' Declaration

The Responsible Entities' of the Entity declare that:

1 The financial statements and notes, as set out on pages 8 to 24, are in accordance with the Australian Charities and Not for Profit Commission Act 2012:
   a. comply with Accounting Standards and the Australia Charities and Not for-Profit Commission Act 2012; and
   b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Entity; and

2 In the Responsible Entities' opinion there are reasonable grounds to believe that the Entity 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 Board of Directors on 30 April 2019 and is signed for and on behalf of the Directors by:

S. JANKELOWITZ	**M. WEININGER**
President	**Treasurer**

Dated: **30 April 2019**

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The Moriah War Memorial Jewish College Association Limited

Financial report for the year ended 31 December 2018

ACN 003 214 560

ABN 87 003 214 560

Contents

Responsible Entities' Report

Your Responsible Entities' present their report on the Entity for the financial year ended 31 December 2018.

This report deals with the terms Responsible Entities' and Directors interchangeably.

Directors

The names of the Directors in office at any time during or since the end of the year are:

Mr S Jankelowitz (President from 28 May 2018)	Mr E Borecki	Dr S Morris (Resigned 28 August 2018)
Mr M Weininger	Ms M Sonnabend	Mr G Sher (Resigned 28 May 2018)
Mr R Blau	Mr O Freedman	Ms J Kalowski (Appointed 28 May - Resigned 7 Nov 2018)
Mr S Wilkenfeld	Mrs J Lowy	Mr G Friede (Term Expired 28 May 2018)

Legal structure

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 31 December 2018, the collective liability of members was $10,290 (2017: $11,290).

Principal Activities

The principal activities of the Entity during the year were that of conducting a school (primary and secondary) and early years' learning.

Short and Long Term Objectives

The Moriah War Memorial Jewish College Association Ltd provides high quality Jewish educational experiences, from the early childhood centre and Long Day Care to Year 12, across its Early Childhood Centre, three Early Learning Centres, Primary School and High School, for the Jewish community.

The long-term objectives of The Moriah War Memorial Jewish College Association Ltd are based on sustainability and continuity. The College does this by building upon the traditions of the past to meet the expectations and aspirations of its key stakeholders – parents, students, teachers and the broader Jewish Community, through the development and growth of:

- A key partnership between the College and Parents that facilitates children being individually supported to achieve their best.
- Resilient and confident citizens and life-long learners who strive to achieve their personal best and feel secure with their Jewish identity.
- Community confidence that the College represents the values of the Jewish Community and develops future leaders of both the Jewish and broader Australian communities.

Strategy for Achieving Short and Long Term Objectives

Moriah College focuses on the following key elements in strategic planning to meet both its short and long term objectives. Moriah College's strategic aims are:

1. Embed Jewish traditions, religion, history, ethics, values and culture into every aspect of College life to ensure our students are knowledgeable about Judaism, skilled in its religious practices and engaged members of the Jewish community with a commitment to Jewish continuity.
2. Provide a high standard Jewish education that is innovative, inspiring and grounded, helping our students understand the values that spring from Judaism, and the challenges that face the Jewish world.
3. Deliver the highest quality learning experiences for our students that are personalised, challenging and engaging, creating within them a desire for lifelong learning and commitment to realising their full potential.
4. Provide innovative and contemporary 21st Century learning environments that equip students with the ability to meet future challenges as active and responsible global citizens.
5. Provide the highest levels of wellbeing for each student with a holistic school experience grounded in Jewish values, preparing them for their next stage of life.
6. Attract, develop and retain high calibre staff who are and feel valued, are passionate and committed to the education of our students, and who view Moriah as their preferred place of employment
7. Provide challenging co-curricular experiences that promote and build within our students knowledge, team spirit, resilience, independence, self-discipline, responsible decision-making and self-confidence.
8. Provide an inclusive and welcoming school culture where all members of the community feel valued and motivated to engage with the College.
9. Be recognised as a leading advocate for comprehensive sustainability planning and practices.
10. Provide astute College Governance, informed by regular stakeholder feedback, to deliver the future resource and development needs of the College.

To achieve these strategic aims the College has devised a Strategic Plan with the following structure:

- Foundation Pillar – Jewish Life & Learning
- Pillar 1 - Personalised, Engaged Learning
- Pillar 2 – Student Wellbeing
- Pillar 3 – Passionate, Qualified, Caring, High Calibre Staff
- Pillar 4 – Co-Curricular Life
- Pillar 5 – Community Engagement & Partnerships
- Pillar 6 – Sustainability

Strategy for Achieving these Objectives (cont)

The Moriah War Memorial Jewish College Association Ltd (Jewish College) has a critical part to play in achieving the strategic plan for Moriah College. In particular, the Jewish College is a primary driver in the achievement of the Foundation Pillar of the Strategic Plan “Jewish Life & Learning”.

The key initiatives of the Foundation Pillar in the Moriah College Strategic Plan are:

1. Define the qualities expected of an ideal Moriah graduate to inform and underpin Jewish Life & Learning curriculum frameworks and programs;
2. Actively seek opportunities to use Jewish Studies, Jewish History, Hebrew and Experiential Jewish Education to inform perspectives, enrich learning, and foster cross-disciplinary and inter-disciplinary approaches to teaching and learning;
3. Align Jewish Life & Learning curriculum frameworks and programs with best practice models defined by the Australian Curriculum, NSW Education Standards Authority (NESA) and other internationally recognised Jewish institutions;
4. Demonstrate innovative and evidence-based practice in Jewish Studies, Jewish History, Hebrew and Experiential Jewish Education, and integrate ethical reasoning, intercultural understanding, personal and social capability, and the promotion of interfaith dialogue and intercultural understanding;
5. Develop whole school approaches of to the teaching of Jewish History, Zionism and Israel studies;
6. Enhance and develop the teaching of Holocaust studies, establishing strong links with the Sydney Jewish Museum, The Yad Vashem Museum and other centres of Holocaust education;
7. Differentiate the delivery of Experiential Jewish Education and formal curriculum to engage the broadest range of Jewish families in the Modern Orthodox life of the College;
8. Provide dynamic and engaging Experiential Jewish Learning that allows students the opportunity to grapple with the existential questions of Judaism, develop a positive self-regard for their Jewish heritage and clarify their Jewish values and commitment;
9. Embed Jewish values, cultural practices and the Hebrew language into College’s daily life, routines, ceremonies and celebrations;
10. Provide a Tefillah program that is meaningful and engaging for our students with clearly defined educational outcomes and measures of success to ensure our students are Siddur literate. The program will also develop and hone the students’ ability to consider questions about G-d and His relationship to this world;
11. Enhance students’ ability to be positive and articulate advocates for the Jewish community and the State of Israel in a variety of contexts, giving them the skills to relate to and move between different cultural groups;
12. Continue to build the Israel Study Tour as an important Jewish Life & Learning experience for students;
13. Establish Kehillat Moriah as a vibrant Centre for Jewish learning, advocacy and engagement for the Moriah family and broader community; and
14. Continue to provide meaningful and engaging Jewish milestones such as sedarim, siddur presentations, Bar and Bat Mitzvah programs, that affirm the significance of these special rites of passage in the lives of our students as they develop towards adulthood.

Measurement of Performance, including Key Performance Indicators

Moriah College has established several internal advisory committees which assist the Board in monitoring achievement of strategic initiatives. One of these committees is the Jewish Life and Learning Committee.

Each year, the Board approves an Annual Plan to achieve strategic initiatives based on advice from the College Executive and its advisory committees.

The College Principal provides a report to each meeting of the Board that is designed around: the Strategic Plan; the Annual Plan; agreed actions designed to achieve the identified strategic initiatives; and key performance indicators set by the Board.

Each Committee monitors compliance with strategic initiatives relative to their portfolio and reports to the Board on progress, delays and achievements as appropriate.

Each year, as provided for in the Entity’s Constitution, a report is provided to the Annual General Meeting of the Association.

The Entity also provides annual returns to the Australian Charities and Not-for-profits Commission (ACNC) which monitors that the Entity is complying with its Objects.

Operating results

The Entity made a net profit for the year 2018 of $Nil (2017 profit: $Nil).

Strategy for Achieving these Objectives (cont)

Review of operations

A detailed review of the operations of the College is contained in the President's Report and the College Principal's Report, included in the full annual report.

In 2018 the College undertook a detailed review of leave liabilities as part of its transition to a new HR and Payroll system. During the period, the Association identified that leave entitlements related to annual leave for the period ending 31 December 2017 and 31 December 2016 omitted certain eligible employees. The effect of the above has been detailed below;

For the year ended 31 December 2017, the overstatement of the leave accrual was $29,351.
There was a corresponding overstatement in trade and other receivables of $29,351.
There was no impact on comprehensive income for the year.

For the year ended 31 December 2016, the understatement of the leave accrual was $29,947.
There was a corresponding understatement in trade and other receivables of $29,947.
There was no impact on comprehensive income for the year.

The remaining balance sheet accounts are not affected by the above corrections.
This error has been rectified by restating each of the affected financial statement line items for the prior period.

The College provides a cross guarantee on loans to the Moriah College Building Fund that are part of a debt funding Facility Agreement with the Commonwealth Bank of Australia.

The existing Debt Facility Agreement is considered by the Commonwealth Bank and the College to be a long term debt facility and this is reflected by the Facility Agreement Terms including a principal repayment schedule of $6m every 5 years with the first principal repayment due on 1 January 2021. The debt funding facility was due for review by 30 April 2019. The full loan facility has been classified as a current liability to comply with accounting standards (see Note 15).
The new debt funding facility was finalised and executed by all parties on 11 April 2019.

Significant changes in state of affairs

There were no significant changes in the state of affairs that occurred during the year.

After balance date events

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

Directors' Qualifications

Stephen Jankelowitz **President from 28 May 2018** Qualifications: B Com, CA MAICD Board Member since 2007 Deputy President - May 2016 to May 2018 Honorary Treasurer May 2008 – May 2014 Chartered Accountant and Director	**Robbie Blau** **Deputy President from 28 May 2018** Qualifications: B.Com, LLB (Cum Laude) ADip Tax Law Board member since March 2016 Chief Executive Officer
Marc Weininger **Treasurer since May 2016** Qualifications: B.Com, M.Com, CFP Board member since May 2013 Financial Planner/Own Business	**Miri Sonnabend** **Honorary Secretary since May 2014** Qualifications: BA (Hons), LLB Board member since May 2012 Assistant Secretary May 2013 – May 2014 Entity Secretary
Simon Wilkenfeld Qualifications: BCom (UNSW) Major: Accounting, Finance and Systems Board member since May 2011 Managing Director	**Judy Lowy** Qualifications: BA (UNSW) Board Member since May 2008 Foundation President since its inception (2011) Entity Director
Gavin Sher (Resigned 23 May 2018) Qualifications: B.Com, H Dip Acc, CA(SA) Board member May 2012 - May 2018 Chief Financial & Operating Officer	**Eric Borecki** Qualifications: B.Com. LLB. (UNSW) Board member since May 2017 Solicitor and Entity Director
Oliver Freedman Qualifications: BSc (Psych.), Hons and Masters of Applied Psychology Board member since May 2010 Vice President May 2013 – May 2014 Honorary Secretary May 2012 – May 2014 Managing Director	**Joanna Kalowski (Resigned 7 November 2018)** Qualifications: B.A. (Hons) Dip Ed Board member 28 May 2018 to 7 November 2018 Judicial educator, facilitator & mediator
Suzanne Morris (Resigned 28 August 2018) Qualifications: PhD; BSc (Psych.) Hons; BSc (Medicine), UNSW Board Member - May 2008 to 28 August 2018 Assistant Secretary June 2010 – May 2011 Honorary Secretary May 2011 – May 2012 Vice President May 2012 – May 2014 Deputy President May 2014 – May 2016 University Lecturer	**Giora Friede (Resigned 28 May 2018)** Qualifications: B Econ Sc Board Member - May 1999 to May 2018 Honorary Secretary 2008 – May 2011 Vice President May 2011- November 2012 President since November 2012 to May 2018 Entity Director

Meetings of Directors

During the financial year, fourteen (14) meetings of Directors were held. Attendances by each Director during the year were as follows:

Schedule Of Attendances at Board Meetings During 2018		
Name	**Eligible To Attend**	**Attended**
Friede, G *(Term Expired 28 May 2018)*	7	6
Jankelowitz, S *(President from 28 May 2018)*	14	11
Weininger, M	14	12
Sonnabend, M	14	13
Wilkenfeld, S	14	12
Blau, R	14	12
Borecki, E	14	13
Freedman, O	14	13
Lowy, J	14	12
Kalowski, J *(28 May 2018 to 7 Nov 2018)*	6	2
Morris, S *(Resigned 28 August 2018)*	9	7
Sher, G *(Resigned 28 May 2018)*	7	5

Environmental issues

The Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Dividends

No dividends have been paid or will be paid. The Memorandum and Articles of Association do not permit any profits to be distributed by way of a dividend.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not for Profit Commission Act 2012 is set out on page 7 of this financial report and forms part of The Responsible Entities Report.

Signed in accordance with a resolution of the Board of Directors on 30 April 2019.

S. JANKELOWITZ
President

M. WEININGER
Treasurer

Dated: **30 April 2019**

Auditor’s Independence Declaration

Insert Auditor’s Independence Declaration from NSDP

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Note	2018	2017 Restated
		$	$
Fees Charged (net of discounts and subsidies)	5	9,104,164	9,071,922
Sundry Income	5	87,036	86,813
JCA Contribution	5	1,535,549	1,436,660
Total revenue		**10,726,749**	**10,595,395**
Employee benefit expense (teaching staff)		(3,970,183)	(4,445,708)
Employee benefit expense (non-teaching staff)		(2,513,007)	(1,397,311)
Expenses & materials		(1,878,413)	(1,759,189)
Staff expenses		(72,126)	(206,733)
Financial costs		(39,174)	(35,937)
Contribution to Moriah War Memorial College Association		(345,204)	(1,211,980)
Building & Grounds expenses		(1,139,163)	(1,137,429)
Other expenses		(769,479)	(401,108)
Total expenses		**(10,726,749)**	**(10,595,395)**
Profit for the year		**-**	**-**
Other comprehensive income		-	-
Total comprehensive income for the year		**-**	**-**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2018

	Note	2018	31-Dec-17 Restated	1 Jan 2017 Restated
		$	$	$
Current assets				
Cash and cash equivalents	8	19,290	119,167	206,538
Trade and other receivables	9	2,177,645	1,730,257	1,840,936
Total current assets		**2,196,935**	**1,849,424**	**2,047,474**
Total assets		**2,196,935**	**1,849,424**	**2,047,474**
Current liabilities				
Trade and other payables	11	256,632	95,497	161,103
Loans from associated entities	11	1,453,610	950,551	1,152,329
Employee benefits	12	415,040	711,436	497,120
Total current liabilities		**2,125,282**	**1,757,484**	**1,810,552**
Non-current liabilities				
Employee benefits	12	71,653	91,940	236,922
Total non-current liabilities		**71,653**	**91,940**	**236,922**
Total liabilities		**2,196,935**	**1,849,424**	**2,047,474**
Net assets		**-**	**-**	**-**
Equity				
Retained earnings		-	-	-
Total equity		**-**	**-**	**-**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2018

	Retained Earnings $
Balance at 1 January 2018	**-**
Total comprehensive income	-
Balance at 31 December 2018	**-**
Balance at 1 January 2017	**-**
Total comprehensive income	-
Balance at 31 December 2017	**-**

These financial statements should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 $	2017 $
Cash flow from operating activities			
Receipts from parents and donations		9,107,255	9,047,637
Receipts from JCA	**5**	1,535,549	1,436,660
Interest received	**5**	2,631	6,214
Interest Paid		(39,174)	(35,937)
Other income		84,405	80,599
Payments to suppliers & employees		(10,790,543)	(9,205,047)
Net cash provided by operating activities	**18**	**(99,877)**	**1,330,126**
Cash flows from investing activities			
Purchase of property, plant & equipment		-	-
Proceeds from sale of assets		-	-
Net cash (used in) investing activities		**-**	**-**
Cash flow from financing activities			
Loans to related parties		-	(1,417,497)
Net cash provided by financing activities		-	(1,417,497)
Net increase /(decrease) in cash and cash equivalents held		**(99,877)**	**(87,371)**
Cash and cash equivalents at beginning of financial year		119,167	206,538
Cash and cash equivalents at end of financial year	**8**	**19,290**	**119,167**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2018

Note 1: General Information and Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not for Profit Commission Act 2012. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Boards (IASB) cannot be made due to the College applying not-for-profit specific requirements contained in The Australian Accounting Standards.

The Association is domiciled in New South Wales, Australia. The Association is a not-for-profit entity limited by guarantee.

Basis of preparation

The financial report complies with Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts have been presented in Australian dollars which is the Entity's functional and presentation currency, unless otherwise stated.

The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the significant accounting policies adopted in the preparation of the accounts.

The financial statements for the year ended 31 December 2018 were approved and authorised for issue by the Board of Directors on 30 April 2019.

Correction to prior period balances

During the period, the Association identified that leave entitlements related to annual leave for the period ending 31 December 2017 and 31 December 2016 omitted certain eligible employees. The effects of the above have been detailed below;

For the year ended 31 December 2017, the overstatement of the leave accrual was $29,351.
There was a corresponding overstatement in trade and other receivables of $29,351.
There was no impact on comprehensive income for the year.

For the year ended 31 December 2016, the understatement of the leave accrual was $29,947
There was a corresponding understatement in trade and other receivables of $29,947.
There was no impact on comprehensive income for the year.

The remaining balance sheet accounts are not affected by the above corrections.

This error has been rectified by restating each of the affected financial statement line items for the prior period as follows:

Statement of financial position (extract)

	31 December 2017			31 December 2016		
	Previous Amount	Adjustment	Restated Amount	Previous Amount	Adjustment	Restated Amount
Employee entitlements	$60,684	($29,351)	$31,333	$48,549	$29,947	$78,496
Receivable from related party	$1,720,665	($29,351)	$1,691,314	$1,769,331	$29,947	$1,799,278

Note 2: Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*.
It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.
When adopting AASB 9, the Entity has applied transitional relief and opted not to restate prior periods.
Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

- ***AASB 101 Presentation of Financial Statements***

  The Entity is guided by AASB 101 regarding presentation of these financial statements, particularly in relation to the amendment to prior period that is discussed in Note1 and reflected in the Statement of Financial Position.

- ***AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors***

  During the period, the Entity identified that leave provisions related to annual leave for the period ending 31 December 2017 had been accounted for incorrectly. AASB 108 has subsequently been applied by the entity to rectify this error.

Note 2: Changes in accounting policies (cont)

2.2 New Accounting Standard issued but not yet effective

- **AASB 15 *Revenue from Contracts with Customers*,** effective from the reporting period beginning 1 January 2019,
  The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019

- **AASB 16: *Leases*** , effective from the reporting period beginning 1 January 2019 (for not for profit entities) replaces accounting requirements applicable to leases in AASB 117: Leases and related interpretations.
  Where the College is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.
  The College's assessment is that adoption of this standard will result in an increase in lease assets and financial liabilities recognised in the statement of financial position initially which will then stabilise due to new leases replacing expiring leases.

- **AASB 1058: *Income of Not-for-Profit Entities*** , effective from the reporting period beginning 1 January 2019, clarifies and simplifies the income recognition requirements that apply to NFP entities. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset received by an entity. The Entity is yet to undertake a detailed assessment of the impact of AASB 1058. However based on the Entity's preliminary assessment, the likely impact on the first time adoption will not be material.

Note 3: Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

a. Revenue & contributions

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

Fee income is recognised as revenue when the services are delivered.

Contributions (including donations) received or receivable are recognised as revenue when the Entity obtains control of the contribution or the right to receive the contribution, when it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of Goods and Services Tax (GST).

b. Employee benefits

Provision is made for the Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using the government bond rate that represents expected payment.

Contributions are made by the Entity to an employee Superannuation Fund and are charged as expenses when incurred. The Entity has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

c. Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts and deposits held at call with banks.

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

Note 3: Summary of accounting policies (cont)

d. Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Note 3: Summary of accounting policies (cont)

Impairment of Financial assets
AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables
The Entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Accounting policies applicable to comparative period (31 December 2017)

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
• loans and receivables
• financial assets at Fair Value Through Profit or Loss (FVPL)
• Held-To-Maturity (HTM) investments
• Available-For-Sale (AFS) financial assets

All financial assets except for those at FVPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.
All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

AFS financial assets
AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities.

The Entity's AFS financial assets include listed securities. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within revenue.

Note 3: Summary of accounting policies (cont)

e. Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from or payable to the taxation authority is included as a current asset or a current liability in the statement of financial position.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

f. Provisions

Provisions are recognised when the Entity 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.

g. Borrowing costs

All other borrowing costs are recognised in income in the period in which they are incurred.

h. Comparative figures

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

i. Going concern

The Directors of the Entity have prepared the financial statements on a going concern basis notwithstanding the net assets of the Entity being nil. The Entity, as required, receives short-term support from Moriah War Memorial College Association to cover any shortfall in operating expenditure over revenue received.

j. Significant management judgement in applying accounting policies

The Directors evaluate estimates and judgments incorporated into the financial report 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 entity.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provision for impairment of receivables

Included in accounts receivables at 31 December 2018 are amounts that may not be recoverable. A provision for impairment has been made amounting to $Nil for 2018 (2017: $Nil).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The financial statements for the year ended 31 December 2018 were approved and authorised for issue by the Board of Directors on 30 April 2019.

Note 4: Income tax expense

The Entity is exempt from liability to pay income tax under the provisions of the Income Tax Assessment Act 1997.

Note 5: Revenue and income

	Note	2018	2017
		$	$
Tuition fees		10,061,746	10,414,133
Compulsory charges		998,558	879,545
Total gross fees		**11,060,304**	**11,293,678**
Less:			
Discounts & allowances		(454,066)	(398,751)
Subsidies		(1,502,074)	(1,823,005)
Net fees charged		**9,104,164**	**9,071,922**
Contribution from JCA		1,535,549	1,436,660
Other Income		84,405	80,599
Interest Income		2,631	6,214
Total non-operating income		**1,622,584**	**1,523,473**

Note 6: Remuneration of directors

No remuneration was paid to any of the Directors.

Note 7: Auditors' remuneration

	2018	2017
Remuneration of the auditor of the Entity for:	$	$
- auditing the financial report	20,000	10,000
	20,000	**10,000**

Note 8: Cash and cash equivalents

	2018	2017
	$	$
Cash at bank	19,290	119,167
	19,290	**119,167**

Note 9: Trade and other receivables

	2018	31-Dec-17 Restated	1-Jan-17 Restated
	$	$	$
GST recoverable	35,852	38,943	38,943
Receivable from related parties	2,141,793	1,720,665	1,691,314
	2,177,645	**1,759,608**	**1,730,257**

No tuition fees are receivable as at 31 December 2018.
All receivables are at call. The carrying amount of receivables is considered a reasonable approximation of fair value.
No impairment of accounts receivable was required as at 31 December 2018 (2017: $Nil).

Note 10: Financial assets and liabilities

Note 3 provides a description of each category of financial assets and financial liabilities and the related accounting policies. All financial assets and financial liabilities were held at amortised costs for both the years ending 2018 and 2017.

	Amortised Cost	Total	Amortised cost	Total
	2018	2018	2017	2017
	$	$	$	$
Financial assets				
Current				
Cash and cash Equivalents	19,290	19,290	119,167	119,167
Trade and Other Receivables	2,177,645	2,177,645	1,759,608	1,759,608
Total Financial assets	**2,196,935**	**2,196,935**	**1,878,775**	**1,878,775**
Financial liabilities				
Current				
Trade and other payables	1,710,242	1,710,242	1,046,048	1,046,048
Total Financial liabilities	**1,710,242**	**1,710,242**	**1,046,048**	**1,046,048**

Note 11: Trade and other payables

Current	2018 $	2017 $
Sundry payables and accrued expenses	256,632	95,497
Loans from associated entities	1,453,610	950,551
	1,710,242	**1,046,048**

Note 12: Employee benefits

Current	2018 $	31-Dec-17 Restated $	1-Jan-17 Restated $
Employee benefits	415,040	740,787	711,436
	415,040	**740,787**	**711,436**
Non-Current			
Employee benefits	71,653	91,940	91,940
	71,653	**91,940**	**91,940**
Total Provisions	**486,693**	**832,727**	**832,727**

Note 13: Dividends

No dividends have been paid or will be paid during the period (2017: nil)

Note 14: Members funds

The Entity is limited by guarantee and does not have any share capital. Were the Entity to be wound up, the Articles of Association state that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the Entity. As at 31 December 2018 the number of members was 1,029 (2017: 1,129).

Note 15: Contingent liabilities

The Entity is liable by virtue of existing cross guarantees for the debts incurred by the Moriah College Building Fund and the Moriah War Memorial Fund, and the Moriah War Memorial College Association, which are secured through registered mortgages over various College properties. Effective 20 December 2017, an undertaking was given to increase the Equipment Leasing from $1.5m to $3.0m which was finalised in January 2018. The amount of the debts covered by these cross guarantees are:

- Market Rate Loan Facility of $31,100,000 ($11.974m fixed & $18.736m variable);
- Overdraft facility of up to $2,500,000 *($1,000,000 from March to November)* ;
- Equipment Financing Facility of up to $3,000,000; and
- Corporate Charge Card Facility of up to $100,000.

The Moriah War Memorial Jewish College Association Limited has provided unlimited guarantees and indemnities to the Commonwealth Bank of Australia on 17 February 2014.

As identified above, the College provides a cross guarantee on loans to the Moriah College Building Fund part as of a debt funding Facility Agreement with the Commonwealth Bank of Australia. This Debt Facility Agreement is considered by the Commonwealth Bank and College to be a long term debt facility and this is reflected in the Facility Agreement's principal repayment schedule of $6m every 5 years with the first principal repayment due on 1 January 2021. However, a Facility Review commencing in February 2019 means that the loan facility must be recorded as a Current Liability for the Moriah College Building Fund. The Debt Facility was finalised and executed by all parties on 11 April 2019 and the $30.76m in Bank Loans will then revert back to non-current with $6m due for repayment on 1 January 2021.

Note 16: Events after the balance sheet date

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

Note 17: Capital management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund operations. The Finance and Audit Committee ensures that the overall risk management strategy is in line with this objective.

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis.

The Entity's capital consists of financial liabilities, supported by financial assets. Management effectively manages the Entity's capital by assessing the Entity's financial risks and responding to changes in these risks and in the market. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

Note 18: Related party disclosures

Transactions with related entities

The Directors of Moriah War Memorial College Association during the financial year were:

Mr S Jankelowitz (President from 28 May 2018)	Mr E Borecki	Dr S Morris (Resigned 28 August 2018)
Mr M Weininger	Ms M Sonnabend	Mr G Sher (Resigned 28 May 2018)
Mr R Blau	Mr O Freedman	Ms J Kalowski (Appointed 28 May - Resigned 7 Nov 2018)
Mr S Wilkenfeld	Mrs J Lowy	Mr G Friede (Term Expired 28 May 2018)

The following related party transactions occurred during the financial year.
Fees (and other revenue) were received by the Entity from the Directors of the Entity under normal terms and conditions.

There are family members of Directors of the Entity who are employed by the College in the ordinary course of its activities.

In 2018, no Directors (2017: no Directors) have received or become entitled to receive a benefit, by reason of a contract made by the Entity or a Related Corporation with the Directors or with a firm of which they are a member or a Director, or with a Entity in which they have a substantial financial interest undertaken in the normal course of business at or less than competitive rates.

As at 31 December 2018, there was a loan receivable from Moriah War Memorial College Association amounting to $2,141,793 [2017 [2017: $1,691,314]. There is also a payable balance to Kehillat Moriah Incorporated for $1,453,610 [2017: $950,551]

This year we have paid an amount to the Moriah War Memorial College Association of $345,204 [2017: $1,211,980]. This fee has been calculated on the basis of an agreed upon formula between the entities.

During 2018, a management fee of $1,435,610 [2017: $1,047,684] has been paid by The Moriah War Memorial Jewish College Association Limited to the Kehillat Moriah Incorporated, for services rendered during the year. This fee has been calculated on the basis of an agreed formula between the entities.

The following remuneration has been paid in aggregate to the key management personnel of the Entity during the year.

Key Management Personnel Remuneration

	Salary	Non-cash benefit	Super-annuation	Short-term benefits	Long-term benefits	Total
	$	$	$	$	$	$
2018	229,393	4,500	21,792	17,645	4,971	**278,301**
2017	248,070	4,774	23,819	19,666	5,542	**301,871**

Non-cash benefit relates to motor vehicles provided to key management personnel.

Note 19: Cash flow information

Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax	**2018**	**2017**
	$	**$**
Profit after income tax	-	-
Non-cash flows in operating profit		
Payments/receipts from Associated Entities	(75,924)	1,291,385
Changes in assets and liabilities		
Decrease/(increase) in receivables	160,946	(24,285)
Increase/(decrease) in payables	161,135	(65,606)
Increase/(decrease) in provisions	(346,034)	128,632
	(99,877)	**1,330,126**

Note 20: Financial instrument

a. Financial Risk Management Policies

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases. When managing capital, Moriah's objective is to ensure that the organisation continues as a going concern, as well as to maintain optimal benefits for stakeholders. Moriah aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The main purpose of non-derivative financial instruments is to raise finance for Entity's operations.

The Entity does not have any derivative instruments at 31 December 2018.

i Treasury Risk Management

A Finance and Audit Committee consisting of members of the Board of Directors and management meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the Entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements. The Finance and Audit Committee oversees how management monitors compliance with the Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity.

ii Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

iii Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. The Entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at the balance sheet date are as follows:

	Floating Interest Rates 2018 $	Non-Interest Bearing 2018 $	Total 2018 $	Weighted Effective Interest 2018 %
Financial Assets				
Cash	19,290	-	**19,290**	5%
Receivables	-	2,177,645	**2,177,645**	-
Total Financial Assets	**19,290**	**2,177,645**	**2,196,935**	
Financial Liabilities				
Accounts payable	-	1,710,242	**1,710,242**	-
Total Financial Liabilities	**-**	**1,710,242**	**1,710,242**	

	Floating Interest Rates 2017 $	Non-Interest Bearing 2017 $	Total 2017 $	Weighted Effective Interest 2017 %
Financial Assets				
Cash	119,167	-	**119,167**	5%
Receivables	-	1,759,608	**1,759,608**	-
Total Financial Assets	**119,167**	**1,759,608**	**1,878,775**	
Financial Liabilities				
Accounts Payable	-	1,046,048	**1,046,048**	-
Total Financial Liabilities	**-**	**1,046,048**	**1,046,048**	

iv Foreign currency risk

The Entity is not exposed to any foreign currency risk.

v Liquidity risk

The Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Note 20: Financial instrument (cont)

a. Financial Risk Management Policies (Cont)

vi Credit risk

Credit risk is the risk of financial loss arising from another party to a contract or financial obligation. The Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet net of any provisions for doubtful accounts.

Financial Assets	Banks 2018 $	Other 2018 $	Total 2018 $
Cash	19,290	-	**19,290**
Receivables	-	2,177,645	**2,177,645**
Total Financial Assets	**19,290**	**2,177,645**	**2,196,935**

Financial Assets	Banks 2017 $	Other 2017 $	Total 2017 $
Cash	119,167	-	**119,167**
Receivables	-	1,759,608	**1,759,608**
Total Financial Assets	**119,167**	**1,759,608**	**1,878,775**

There is no material amount of collateral held as security at 31 December 2018 or as at 31 December 2017.

Credit risk is reviewed regularly by the Finance and Audit Committee. It arises from exposures to customers as well as through deposits with financial institutions.

vii Price risk

The Entity is not exposed to any price risk.

b. Financial Liabilities Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2018	Current Interest rate %	$	Current $	$	Non-current $
		Not later than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Trade payables	-	256,632	-	-	-
Sundry payables	-	1,453,610	-	-	-
Total		**1,710,242**	**-**	**-**	**-**

2017	Current Interest rate %	$	Current $	$	Non-current $
		Not later than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Trade payables	-	95,497	-	-	-
Sundry payables	-	950,551	-	-	-
Total		**1,046,048**	**-**	**-**	**-**

c. Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

Financial assets	2018 Carrying Amount $	Net fair Value $	2017 Carrying Amount $	Net fair Value $
Loans and receivables	2,177,645	2,177,645	1,759,608	1,759,608
Total	**2,177,645**	**2177645**	**1759608**	**1759608**
Financial liabilities				
Trade and other payables	256,632	256,632	95,497	95,497
Sundry payables	1,453,610	1,453,610	950,551	950,551
Total	**1,710,242**	**1710242**	**1046048**	**1046048**

Note 21: Entity details

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

The Moriah War Memorial Jewish College Association Limited
The Henry Roth Administration Building
3 Queens Park Road
BONDI JUNCTION NSW 2022

Responsible Entities' Declaration

The Responsible Entities' of the Entity declare that:

1 The financial statements and notes, as set out on pages 8 to 19, are in accordance with the Australian Charities and Not for Profit Commission Act 2012:
   a. comply with Accounting Standards and the Australia Charities and Not for-Profit Commission Act 2012; and
   b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Entity; and

2 In the Responsible Entities' opinion there are reasonable grounds to believe that the Entity 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 Board of Directors and is signed for and on behalf of the Directors by:

S. JANKELOWITZ	**M. WEININGER**
President	**Treasurer**

Dated: **30 April 2019**

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