

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CANBERRA MUSLIM COMMUNITY INC.****Scope**

We have audited the accompanying financial report, being a general purpose financial report, comprising the income statement, the balance sheet, statement of recognised income and expenditure, statement of cash flows, accompanying notes to the financial statements and statement by the members of the committee for Canberra Muslim Community Inc. (the Association) for the year ended 30 June 2018.

Committee's Responsibility for the Financial Report

The committee is responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Association Incorporation Act 1991 and are appropriate to meet the needs of the members..

Auditor's Responsibility

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Canberra Muslim Community Inc. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Australian Accounting Standards.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's reporting requirements under the ACT Associations Incorporation Act 1991. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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Audit Opinion

In our opinion the financial report of Canberra Muslim Community Inc. gives a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1.

KWAW & Associates



Kylie Wee

Date 30 October 2018

Canberra Muslim Community Inc.

ABN: 87 932 587 803

**140 The Valley Avenue
Gungahlin ACT 2912**

Date: 4 October 2018

KWAW & Associates

801/3 George Julius Avenue

Zetland NSW 2017

Management Representation

This representation letter is provided in connection with your audit of the financial report of Canberra Muslim Community Inc. for the year ended 30 June 2018, for the purpose of expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards and the Corporations Act 2001.

We confirm, that:

Financial Report

We have fulfilled our responsibilities, as set out in terms of the audit engagement letter dated 1 September 2018, for the preparation of the financial report is in accordance with applicable Australian Accounting Standards and the Corporations Act 2001; in particular the financial report is fairly presented, in accordance therewith.

Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Australian Accounting Standards.

No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial report as a whole.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

The following have been properly recorded and/ or disclosed in the financial report:

- a) arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
- b) agreements to repurchase assets previously sold
- c) material liabilities or contingent liabilities or assets, including those arising under derivative financial instruments and
- d) unasserted claims or assessments that our lawyer has advised us are probable of assertion.

- e) losses arising from the fulfilment of, or an inability to fulfil, any sale commitments, or as a result of purchase, commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices

The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.

The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Information Provided

We have provided you with:

- access to all information of which we are aware is relevant to the presentation of the financial report such as records, documentation and other matters
- additional information you have requested from us for the purpose of the audit, and
- unrestricted access to persons with the entity from whom you have determined it is necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial report.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated due to fraud.

We have disclosed to you all information in relation to fraud or suspected fraud which we are aware of, and that affects the entity and involves:

- management
- employees who have significant roles in internal control, or
- others where the fraud could have a material effect on the financial report.

We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations, whose effects should be considered when preparing the financial report.

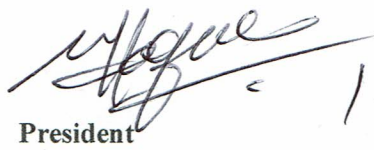
We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

We have provided you with all requested information, explanations and assistance for the purposes of the audit.

We have provided you with all the information required by the Corporations Act 2001.

We have made available to you minutes of all meetings of members and directors.

Yours faithfully

 12/11/2018
President

CANBERRA MUSLIM COMMUNITY INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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REPORT OF COMMITTEE OF MANAGEMENT

Assalamo alaikum warahmatullahi wabarakatuh,

Alhamdulillah, on behalf of the management, I, the President of the Canberra Muslim Community Inc., present the financial report for the financial year ended 30 June 2018.

Committee Members' Activities & Significant Changes

The committee members remained addressed to the social, legal, and judicial issues for Muslims in Australia, mosque activities, donations to various member societies and other organisations, to produce maximum benefit and welfare of the Muslims and the greater Australian community. No significant changes in the nature of these activities occurred during the period.

Operating Results

	2018	2017
Profit/(Loss) from Ordinary Activities	<u>\$413,514.29</u>	<u>\$742,882.92</u>

Review of Operations

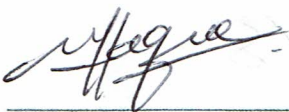
A review of the operations of the association during the financial year and the results of those operations are as follows-

The operations of the organization in the year were consistent with the objectives set out under the Memorandum of Association. In 2018, Canberra Muslim Community Inc. continued to provide service and other activities to the Australian Muslim community.

Proceedings on Behalf of Association

No person has applied for leave of the Court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or any part of those proceedings.

This report is made in accordance with a resolution of committee.



President

Date

12/11/2018

CANBERRA MUSLIM COMMUNITY INCORPORATED

Operating Statement For the Period Ended June 30, 2018

		2017-18	2016-17
	Note	AUD	AUD
Income			
Revenue from Donations	2	320,919.32	628,603.96
Membership Fees	3	88,080.00	87,895.00
Income from Investment	4	108.86	103.68
Other Income - GST Return		76,124.88	69,196.00
Grants	5	50,661.60	-
Total Income		535,894.66	785,798.64
Expenses			
Insurance Expenses		7,433.38	1,457.76
Bank fees and Other Government Fees		1,680.42	1,453.50
Printing & Publication		4,548.71	2,002.50
Honourable Gift		1,800.00	1,000.00
Utility Bills	6	4,472.77	1,792.96
Venue & Equipment Hire	7	41,285.04	16,289.55
Meal & Hospitality Expenses	8	16,896.74	2,076.84
Property Maintenance	9	10,759.88	8,466.00
Office Administration & Travel Expenses	10	3,953.44	1,566.41
Other Expenses	11	3,932.86	6,810.20
Depreciation		25,617.13	-
Total Expenses		122,380.37	42,915.72
Operating Surplus		413,514.29	742,882.92

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12/11/2018

CANBERRA MUSLIM COMMUNITY INCORPORATED

Balance Sheet As at June 30, 2018

		2017-18 AUD	2016-17 AUD
Current Assets			
Cash at Bank - Construction		358,231.01	460,001.75
Cash at Bank - Facility		23,020.89	19,835.19
Paypal Account Balance		1,544.88	6,776.59
Investments	4	2,824.59	2,715.73
Deposit to Financial Institution	12	50,000.00	50,000.00
Total Current Assets		435,621.37	539,329.26
Non-Current Assets			
Land at Value	13	435,000.00	435,000.00
Security Deposit - ACTPLA	14	93,000.00	93,000.00
Capital Work-in-Progress : Mosque Construction Cost			1,312,582.39
Mosque Compound - Cost	15	1,905,421.70	
Less: Accumulated Depreciation		-25,617.13	
Net Book Value		1,879,804.57	
Total Non-Current Assets		2,407,804.57	1,840,582.39
Total Assets		2,843,425.94	2,379,911.65
Current Liabilities			
Accrued Expense	16	330.00	330.00
Other Payables	17	103,900.00	53,900.00
Total Current Liabilities		104,230.00	54,230.00
Non-Current Liabilities			
Other long Term Liabilities		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		104,230.00	54,230.00
Net Assets		2,739,195.94	2,325,681.65
Equity			
Accumulated Funds - Opening Balance		2,325,681.65	1,582,798.73
Add: Operating Surplus/(Deficit)		413,514.29	742,882.92
Asset Revaluation Reserve		-	-
Total Equity		2,739,195.94	2,325,681.65

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CANBERRA MUSLIM COMMUNITY INCORPORATED

Cash Flow Statement

For the Period Ended June 30, 2018

Description	Note	2017-18	2016-17
		AUD	AUD
Opening Balance of Cash and Cash Equivalents		486,613.53	539,316.94
Cash Flows from Operating Activities			
Receipts			
Revenue from Donations	2	320,919.32	700,288.31
Membership Fees	3	88,080.00	87,895.00
Income from Investment		76,124.88	
Other Income - GST Return			
Grants	5	50,661.60	
Total Receipts from Operating Activities		535,785.80	788,183.31
Payments for			
Honourable Gift for Tarawee Prayer and Fund Raising Dinner		1,800.00	2,500.00
Utility Bills to Actew AGL	6	4,472.77	1,792.96
Annual Insurance Premium for Public Liability		7,433.38	1,457.76
Venue & Equipment Hire	7	41,285.04	16,289.55
Meals and Hospitality for Event Management	8	16,896.74	2,076.84
Printing and Publications on Various Occasions		4,548.71	2,356.24
Property Maintenance	9	10,759.88	8,466.00
Office Administration and Travel Expenses	10	3,953.44	1,566.41
Bank Fees, Charges and Other Government Fees		1,680.42	1,453.50
Other Miscellaneous Payment	11	3,932.86	7,140.20
Total Payments for Operating Activities		96,763.24	45,099.46
Net Cash Inflows from Operating Activities		439,022.56	743,083.85
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant and Equipment		-	-
Payment for Gungahlin Mosque Construction Project		592,839.31	799,687.26
Net Cash (Outflows) from Investing Activities		(592,839.31)	(799,687.26)
Cash Flows from Financing Activities			
Quard-E-Hasana Received	17	50,000.00	53,900.00
Paymant to ICFAL as 10% Deposit for Loan Application		-	50,000.00
Net Cash (Outflows) from Financing Activities		50,000.00	3,900.00
Net Increase/(Decrease) in Cash and Cash Equivalents		(103,816.75)	(52,703.41)
Closing Balance of Cash and Cash Equivalents		382,796.78	486,613.53

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CANBERRA MUSLIM COMMUNITY INCORPORATED
Notes to and Forming Part of the Financial Statements
For the Period Ended June 30, 2018

Note 1. Significant Accounting Policies

The general purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP). The financial statements have been prepared in accordance with (i) Australian Accounting Standards and (ii) ACT Accounting and Disclosure Policies. The CMC Inc is an individual reporting entity and it has disclosed the following required financial statements:

- (i) An Operating Statement for the year;
- (ii) A Balance Sheet at the end of the year; and
- (iii) A Cash Flow Statement for the year.

The financial statements have been prepared using accrual basis of accounting which recognises the effect of transactions and events when they occur. The statements have also been prepared according to historical cost convention, except for asset such as land, building, or financial instrument which were valued at fair value in accordance with the availability of revaluation evidence.

The financial statements are presented in Australian Dollars, which is CMC's functional currency. The comparative information has been disclosed in respect of previous period for the amounts reported in the financial statements. Where the presentation and classification of items in the financial statements are amended, the comparative amounts have been reclassified where practical and further explanatory comments have been provided.

Note 2. Revenue from Donations

It generally refers to individual's contribution for the operation of CMC activities and covering on-going construction cost of Gungahlin mosque. The revenue from donations basically consists of Friday prayer cash collection and individual's cash deposit to either bank, paypal account or the Executive Committee members. The collection from the EC members is then deposited to the mosque's bank account at their earliest convenience.

Note 3. Membership Fees

As per current CMC regulation, there is a provision for issuing general and life membership for the muslim community in Australia. The general membership fee is \$20 per person and life membership fee \$1,000 per person. For the students the general membership fee is 50% discounted. The category of membership fees in 2017-18 is following:

	AUD
General membership fees (504 general members)	10,080.00
Life membership fees (74 life members)	74,000.00
Minor life membership fees (4 life members)	4,000.00
	<u>88,080.00</u>

Note 4. Income from Investment

CMC has an investment portfolio with MCCA called 'MCCA Income Fund'. The fair value of this investment portfolio at the end of June 30, 2018 is \$ 2,824.59. The income of \$108.86 is generated from this investment fund in the financial year 2017-18.

Note 5. Grants

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The grants refer to funding received from Government agencies. The major components of grants are \$33,000 for the installation of solar panels on the mosque roof and \$10,000 for arranging Iftaar in the city during Ramadan with the cooperation of other Islamic organisations in Canberra.

Note 6. Utility Bills

The utility bills mainly relate to electricity and water & sewerage bills charged by ActewAGL periodically.

Note 7. Venue and Equipment Hire

The expenses are incurred mainly due to hiring EPIC venues for conducting Tarawee prayer in Ramadan and arranging fund raising dinner, stage and other event preparation for fund raising dinner and demountable separate male and female wash rooms and toilets hire in the mosque premise.

Note 8. Meals and Hospitality Expenses

CMC arranged a fundraising dinner program for muslim communities in Canberra in FY2017-18 to mobilise fund for Gungahlin mosque construction project and hosted for dinner, sweet dishes and some gifts. The committee also sponsored some refreshments and other food nights in Ramadan and Iftaar program in the city.

Note 9. Property Maintenance

This expenses mainly relate to installation of security lights, irrigation works, landscaping tasks at courtyard, signposts and ground levelling at parking area.

Note 10. Office Administration and Travel Expenses

The expenses are mainly attributable to the travel and accommodation cost of the guests invited for fund raising dinner in Canberra and Saudi Imam appointment and accommodation during Ramadan.

Note 11. Other Expenses

The key components of Other expenses are following:

	AUD
Photography fee & security fee	599.30
Audit Fee accrued in FY2016-17	330.00
Shoe racks, parking tools in Ramadan	1,233.56
Zakat-ul-Fitr	750.00
Gifts for kids program	400.00

Note 12. Deposit to Financial Institution

The Executive Committee of Canberra Muslim Community is working on possible Islamic loan from ICFAL. As part of this Islamic loan application the committee deposited in advance \$50,000 in 2016-17 i.e., 10% of total Islamic loan \$500,000. This prerequisite was paid in advance as per agreement. If this financing application is not approved by ICFAL according to their assessment criteria, the CMC is entitled for receiving their fund \$50,000.

Note 13. Land at Value

The fair value of land \$435,000 has been disclosed based on the Jan-18 report of unimproved land value provided by ACT Revenue Office. The current value of the land has been identical to the previous year's valuation. So there is no unrealised gain recognised.

Note 14. Security Deposit ACTPLA

MAH 12/11/2018

The security deposit of \$93,000 had been paid to ACTPLA as per agreement and it is expected that the money would be reimbursed by them after meeting necessary compliance issues set by ACTPLA.

Note 15. Gungahlin Mosque & Compound Construction Cost

The construction cost of Gungahlin mosque is initially recognised under capital works-in-progress. The mosque has been operational since October 2017. So the whole construction cost of Gungahlin mosque is transferred to building asset account from capital works-in-progress and recorded in asset register from this financial year. The cost breakdown is exhibited below:

	AUD
Gungahlin Mosque - Opening Balance	1,312,582.39
Gungahlin Mosque Construction Cost in FY2017-18	592,839.31
Gungahlin Mosque - Closing Balance	<u>1,905,421.70</u>

Note 16. Accrued Expense

The audit fee \$330 for the financial year 2017-18 has been estimated to be paid to the auditor for reviewing and auditing the financial records and statements with relevant working papers.

Note 17. Other Payables

The Executive Committee of Canberra Muslim Community has received Quard-E-Hasana from a generous community member in this financial year 2017-18. As part of this Quard-E-Hasana agreement signed, the committee of CMC is liable to refund principal loan without any profit or mark-up within short period of time as early as possible. The figure disclosed in the balance sheet is an accumulated amount from last financial year.

MAH 12/11/2018

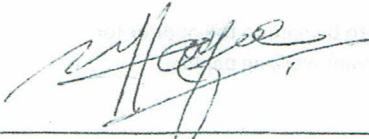
CANBERRA MUSLIM COMMUNITY INCORPORATED

Financial Statements

For the Period Ended June 30, 2018

Statement of Responsibility

The financial statements, in my opinion, are in agreement with the Organisation's accounts and records and fairly reflect the financial operations of the Organisation for the year ended 30 June 2018 and the financial position of the Organisation on that date.



Mr. Mainul Hoque

President

Canberra Muslim Community Inc.

Gungahlin, ACT 2912

25 October, 2018

Statement By the Treasurer

The financial statements, in my opinion, have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Organisation's accounts and records and fairly reflect the financial operations of the Organisation for the year ended 30 June 2018 and the financial position of the Organisation on that date.



Mr. Sohail Rai

Treasurer

Canberra Muslim Community Inc.

Gungahlin, ACT 2912

25 October, 2018