THE BUDDHIST SOCIETY OF WESTERN AUSTRALIA (INCORPORATED)
ABN 40 352 930 645
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		$	$
Income from ordinary activities		2,013,789	2,200,365
Depreciation		(822,993)	(90,213)
Employee benefit expense		(80,062)	(91,916)
Legal and professional fees		(40,410)	(4,735)
Other expenses from ordinary activities		(341,224)	(286,193)
Repairs and maintenance		(219,330)	(164,230)
Travel and visiting monks expense		(62,590)	(43,174)
Surplus before income tax		**447,180**	**1,519,904**
Income tax expense	1(g)	-	-
Surplus for the year		**447,180**	**1,519,904**
Other comprehensive income:			
Net decrease on revaluation of land and buildings		(6,261,709)	-
Total other comprehensive income		**(6,261,709)**	-
Total comprehensive income for the year		**(5,814,529)**	**1,519,904**

The accompanying notes form part of the financial statements

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THE BUDDHIST SOCIETY OF WESTERN AUSTRALIA (INCORPORATED)
ABN 40 352 930 645
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and Cash Equivalents	2	4,726,857	4,812,684
Receivables & Other Current Assets	3	39,936	14,476
Inventories	4	14,577	14,865
TOTAL CURRENT ASSETS		**4,781,370**	**4,842,025**
NON-CURRENT ASSETS			
Property Plant & Equipment	5	29,103,077	**34,846,023**
TOTAL NON-CURRENT ASSETS		**29,103,077**	**34,846,023**
TOTAL ASSETS		**33,884,447**	**39,688,048**
CURRENT LIABILITIES			
Payables	6	29,270	22,039
Employee provisions	7	18,814	15,117
TOTAL CURRENT LIABILITIES		**48,084**	**37,156**
TOTAL LIABILITIES		**48,084**	**37,156**
NET ASSETS		**33,836,363**	**39,650,892**
MEMBERS' FUNDS			
Asset Revaluation Reserve	8	5,565,325	11,827,034
Retained Surplus		28,271,038	27,823,858
TOTAL MEMBERS' FUNDS		**33,836,363**	**39,650,892**

The accompanying notes form part of the financial statements

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THE BUDDHIST SOCIETY OF WESTERN AUSTRALIA (INCORPORATED)

ABN 40 352 930 645

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained Surplus	Asset Revaluation Reserve	Total
Balance as at 1 January 2018	26,303,954	11,827,034	38,130,988
Surplus attributable to members of the entity	1,519,904	-	1,519,904
Balance as at 1 January 2019	27,823,858	11,827,034	39,650,892
Surplus attributable to members of the entity	447,180	-	447,180
Net decrease on revaluation of land and buildings	-	(6,261,709)	(6,261,709)
Balance as at 31 December 2019	**28,271,038**	**5,565,325**	**33,836,363**

The accompanying notes form part of the financial statements

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THE BUDDHIST SOCIETY OF WESTERN AUSTRALIA (INCORPORATED)

ABN 40 352 930 645

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and donors		1,920,180	2,133,569
Payments to suppliers and employees		(784,008)	(615,491)
Interest received		94,669	95,981
Net cash provided by operating activities	12(b)	**1,230,841**	**1,614,059**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,341,756)	(1,128,145)
Repayment of Loan		-	46
Sale proceed from disposal of property, plant and equipment		25,088	1,000
Net cash used in investing activities		(1,316,668)	(1,127,099)
Net (decrease)/increase in cash and cash equivalents held		(85,827)	486,960
Cash and cash equivalents at beginning of year		4,812,684	4,325,724
Cash and cash equivalents at end of financial year	12(a)	4,726,857	4,812,684

The accompanying notes form part of the financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements cover The Buddhist Society of Western Australia (Incorporated) as an individual entity. The Buddhist Society of Western Australia (Incorporated) is an association incorporated in Western Australia and operating pursuant to the *Associations Incorporation Act 2015*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012,* the *Associations Incorporation Act 2015* and the constitution of The Buddhist Society of Western Australia (Incorporated). The Committee has determined that The Buddhist Society of Western Australia (Incorporated) (the 'Association') is not a reporting entity.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) applicable to not-for-profit entities, and the disclosure requirements of:

- AASB 101 Presentation of Financial Statements;
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1048 Interpretations of Standards; and
- AASB 1054 Australian Additional Disclosures.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and is based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(b) Inventories

Purchased inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in-first out basis and include direct costs and appropriate overhead expenses, if any. Donated books are recognised at zero value due to the difficulty in determining the market replacement cost for the books donated.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Property, Plant and Equipment*

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

Plant and equipment – carrying amount
The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation
All assets, excluding freehold land, are depreciated on a diminishing value or straight-line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	**Depreciation Rate**
Buildings	2.7%
Plant, furniture and equipment	7.5%
Motor vehicles	22.5%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

(d) *Financial Instruments*

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for account receivable) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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(d) NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Impairment of financial assets

Accounts receivable

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of accounts receivable due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(e) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(f) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Tax

The Association is exempt from income taxation under section 50-5 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in received from customers or payments to supplier.

(i) Revenue

The Association applies AASB 1058: Income of Not-for-Profit Entities and AASB 15: Revenue from Contracts with Customers. AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

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

Donation income is recognised when the Association obtains control over the funds, which is generally at the time of receipt.

In-kind donations of goods and services are included at fair value where this can be quantified.

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

The Association determined that the differences in accounting for revenue between the current and prior year was insignificant and therefore no comparative accounting policy notes have been listed.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Comparative Figures

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

(k) Adoption of New and Revised Accounting Standards

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* which became effective for the first time at 1 January 2019.The adoption of these standards have not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(l) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Association where the standard is relevant:

- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements

  This Standard is applicable to annual reporting periods beginning on or after 1 January 2019.

  No change in accounting policy but this standard includes additional disclosures for private sector NFP entities who produce special purpose financial statements in the scope of AASB 1054. The disclosures relate to:

  - The basis on which the decision to prepare special purpose financial statements was made
  - Whether the entity have been consolidated
  - Whether recognition and measurement requirements in the Australian Accounting Standards have been complied with.

  Although the Committee anticipate that the adoption of AASB 2019-4 will impact the disclosure requirements of the financial statements, the disclosure is unlikely to be onerous.

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	2019	2018
		$
2 CASH AND CASH EQUIVALENTS		
Gold Term Deposit Accounts with Bankwest		
Vihara Expense Account	213,960	129,396
Vihara Building Fund *	472,626	382,915
Monks Expense Account	1,036,088	1,300,000
Monks Building Fund *	483,653	472,984
Nuns Expense Account	400,000	300,000
Nuns Building Fund *	50,000	301,777
Jhana Grove Expense Account	1,453,442	1,215,000
	4,109,769	**4,102,072**
Bankwest Cheque Accounts		
Vihara Expense Account	93,938	92,745
Vihara Building Fund *	87,533	92,677
Monks Expense Account	72,318	176,106
Monks Building Fund *	58,584	43,377
Nuns Expense Account	60,989	118,899
Nuns Building Fund *	79,372	89,059
Jhana Grove Expense Account	31,888	34,342
Jhana Grove Building Fund*	13,118	32,582
Great Southern Expense Account	117,904	-
Westpac -direct debit	639	8,317
	616,283	**688,105**
Petty Cash Imprest		
Caretaker, 12 Nanson Way	200	200
Caretaker, 18-20 Nanson Way	693	(152)
Library Cash Floats	450	450
Monks Monastery	3,043	600
Nuns Monastery	350	377
	4,736	**1,475**
Other Accounts		
PayPal	(3,931)	21,033
TOTAL CASH AND CASH EQUIVALENTS	**4,726,857**	**4,812,684**

* All building funds are restricted for future capital development of the respective buildings and not available for operating purposes.

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	2019	2018
3 RECEIVABLES & OTHER CURRENT ASSETS	**$**	**$**
Current		
ATO - BAS Refund	39,936	14,476
	39,936	**14,476**
4 INVENTORIES		
Stock on Hand	14,577	14,865
	14,577	**14,865**

	2019 $	2018 $
5 PROPERTY, MOTOR VEHICLE, FURNITURE, PLANT & EQUIPMENT		
5.1 Buildings & Land		
12 Nanson Way, Nollamara	-	440,000
14 Nanson Way, Nollamara	-	-
18 & 20 Nanson Way, Nollamara	-	2,117,000
216 Kingsbury Drive, Serpentine	-	1,940,000
Lot 1438 Kingsbury Drive, Serpentine	-	2,860,000
37 Milford Way, Nollamara	-	586,246
Bodhinyana -Lot2 Deldillia Follow	-	1,030,364
Bodhinyana -Lot3 Deldillia Follow	-	549,014
203 Reen Road, Gidgegannup	-	9,140,625
Land - Bodhinyana 48 Stocker Rd	-	723,575
Total Buildings & Land	**-**	**19,386,824**
Improvements at Cost		
Nanson Way, Nollamara	-	481,466
Dhammaloka 37 Milford Way Imp	-	1,100
216 Kingsbury Drive, Serpentine	-	1,150,000
Bodhinyana Kuti	-	40,988
Kingsbury Drive, Serpentine - Jhana Grove Retreat Ctr	-	6,425,167
Reen Road, Gidgegannup	-	6,566,203
Bodhinyana Lot 2, 283 Kingsbury	-	-
Bodhinyana Lot 3, 283 Kingsbury	-	88,009
Boundary & Retaining Walls	-	51,063
Total Improvements at Cost	**-**	**14,803,996**
Revalued Buildings and Land at Cost		
Land	10,408,122	-
Buildings	13,924,770	-
Kuti	1,643,328	-
Boundary & Retaining Walls	393,003	-
Roads & Car Parks	1,833,462	-
Total Revalued Buildings and Land at Cost	**28,202,685**	**-**
Total Buildings & Land	**28,202,685**	**34,190,820**
5.2 Capital Work in Progress, Furniture and Fixtures, Motor Vehicles and Plant and Equipment		
Capital Work in Progress		
At cost	296,312	13,523
Total Capital Work in Progress	**296,312**	**13,523**
Furniture and Fixtures		
At cost	301,448	301,448
Less Accumulated Depreciation	(146,946)	(133,515)
Total Furniture and Fixtures	**154,502**	**167,933**
Plant and Equipment		
At cost	800,454	784,561
Less Accumulated Depreciation	(432,875)	(372,215)
Total Plant and Equipment	**367,579**	**412,346**
Motor Vehicles		
At cost	233,712	196,712
Less Accumulated Depreciation	(151,713)	(135,311)
Total Motor Vehicles	**81,999**	**61,401**
Total Capital Work in Progress, Furniture and Fixtures, Motor Vehicles and Plant and Equipment	**900,392**	**655,203**
Total Property, Motor Vehicle, Furniture, Plant & Equipment	**29,103,077**	**34,846,023**

The Association's land and buildings were revalued at 1 January 2019 by independent surveyor, BE Projects (WA) Pty Ltd. The valuations were made on the basis of replacement cost value to construct the buildings, having the same functional use and of the same useable area as the building was originally, less accumulated depreciation over the life of the asset. The revaluation decrement was credited against the asset revaluation reserve in equity.

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	2019 $	2018 $
6 PAYABLES		
Visa Cards	(1,336)	1,785
Provision for Accounting & Audit Fees	6,000	6,000
Payables and accrued expenses	24,606	14,254
Total Payables	**29,270**	**22,039**
7 EMPLOYEE PROVISION		
Employee entitlement provisions	13,642	9,945
Provision for long service leave	5,172	5,172
Total Employee Provision	**18,814**	**15,117**
8 ASSET REVALUATION RESERVE		
Surplus arising on Revaluation of Land and Buildings - Prior to 2008	535,697	535,697
Surplus arising on Revaluation of Land and Buildings		
12 Nanson Way, Nollamara	385,263	295,000
14 Nanson Way, Nollamara	269,776	335,500
18 & 20 Nanson Way, Nollamara	(50,738)	471,500
37 Milford Way, Nollamara	308,765	-
216 Kingsbury Drive, Serpentine	1,872,698	142,000
Lot 1438 Kingsbury Drive, Serpentine	1,170,524	2,041,414
203 Reen Road, Gidgegannup	1,073,340	8,005,923
Total Asset Revaluation Reserve	**5,565,325**	**11,827,034**

9 CAPITAL EXPENDITURE COMMITMENTS

There were no known capital commitments as at 31 December 2019.

10 CONTINGENT LIABILITIES

There were no known contingent liabilities at 31 December 2019.

11 SUBSEQUENT EVENTS

The Committee is not aware of any significant events since the end of the reporting period.

12 CASH FLOW INFORMATION

(a) Reconciliation of cash		
Cash	4,726,857	4,812,684
Cash at the end of the financial year as shown in the statement of financial position is reconciled to items in the statement of cash flows as follows:		
(b) Reconciliation of result for the year to cash flows from operating activities		
Surplus for the year	447,180	1,519,904
Cash flows excluded from net operating surplus attributable to operating activities		
Non-cash flows in net operating surplus:		
- depreciation	822,993	90,213
- (gain)/loss on disposal of property, plant and equipment	(25,088)	2,735
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(25,460)	(5,015)
- (increase)/decrease in inventories	288	468
- increase/(decrease) in trade and other payables	7,231	3,689
- increase/(decrease) in provisions	3,697	2,065
Cash flow from operations	**1,230,841**	**1,614,059**

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