

THE LEBANESE MOSLEM
ASSOCIATION
(A Company Limited by Guarantee)

ABN 74 874 168 589
ACN 001 078 664

ANNUAL FINANCIAL REPORT

FOR THE
YEAR ENDED
31 DECEMBER 2009

The Lebanese Moslem Association

(A Company Limited by Guarantee)

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The Lebanese Moslem Association

(A Company Limited by Guarantee)

Directors' Report

The directors of The Lebanese Moslem Association (the "Company") submit herewith the annual financial report of the Company for the financial year ended 31 December 2009, the directors report as follows:

Brief History

The Lebanese Moslem Association is a community based non-profit welfare organisation established in 1962. It was established to provide welfare, social religious, recreational and education to the Australian Muslim community.

Directors

The names of the directors of the Company at any time during or since the end of the financial year are:

	Appointment date	Resignation date	
Samier Dandan	1 June 2009		President
Khaled Alameddine	2 June 2002		Vice President
Jihad Dib	1 July 2006		Secretary
Dr Mosbah Taha	4 May 1997		Vice Secretary\Education
Moataz Zreika	1 June 2009		Treasurer
Ahmad Kamaledine	26 April 2008		Vice Treasurer\Mosque
Ziad Khalil Ghamraoui	8 May 2005		Office
Rabih ElAyoubi	6 April 2003		Youth Centre\Projects
Abdul Nasser ElKassir	4 May 1997		Religious
Said Kanawati	6 April 2008		Dawaa
Khaled Elkheir	29 April 2007		Cemetery\Funeral
Dr Jamal Rifi	31 May 2009	9 Nov 2009	Public Relation
Hafez Alameddine	29 April 2007		Cemetery\Funeral
Shawki Kassir	6 April 2008		Public Relation
Ibrahim Chahal	29 April 2007		Youth\Dawaa
Toufic Khalil	8 June 2003	31 May 2009	Mosque
Mohamed Adra	1 July 2006	31 May 2009	Marketing
Ahmad Dabbousi	29 April 2007	31 May 2009	Youth Centre

The above named directors held office during and since the end of the financial year unless otherwise stated.

Directors' Skills, Experience and Expertise – Current Directors

Samier Dandan Co-founder and acting COO of manageNET, Samier has over 15 years of cross- functional expertise, holding various senior operations roles within the Information Technology sector. Responsible for managing and administering Government and private sector related IT infrastructure. Previous employers include Maxis Corporation and Managed Networks where he held various operational and technical roles. Samier holds a Bachelors degree in Computer Engineering. He is a member of the Arabian Chamber of Commerce. Samier is also an Islamic Community leader and currently serves as a member of the National Youth Subgroup and an Affiliate member to the Islamic Council of NSW. Samier also served on the Federal Muslim Community Reference Group to the Prime Minister Mr. John Howard.

Shawki Kassir runs his own firm of accountants and has been in practice for over 11 years.

Khaled Kheir is a Solicitor and is the Principal Solicitor of his own local Law Firm.

Moataz Zreika holds a Bachelor of Computer Engineering and Master Professional Accounting currently a PhD candidate in Banking and Finance. He runs his own firm of Facilities Management and has been in practice for 5 years.

The Lebanese Moslem Association

Directors' Report (Continued)

Jihad Dib is acting Principal at Punchbowl Boy's High School, with work experience obtained by working with various organisations, primarily in youth related projects for a number of years. He has a Bachelor of Science Degree with a Diploma in education.

Rabih ElAyoubi is a Businessman in the area of Security and Management Facilities.

Ahmad Kamaledine is a Businessman in the area of distribution and management Automotive Industrial Coating.

Ziad Khalil Ghamraoui has over 20 years work experience in the computer industry currently employed by the DET NSW and holds a Diploma in information technology.

Dr Mosbah Taha is a Medical Administrator holding a MBBS and DIS in Ophthalmology and working at Bankstown Hospital.

Hafez Alameddine holds a Bachelor of Commerce and is a Member of the Institute of Chartered Accountants. He runs his own firm of accountants and has been in practice for 8 years. He is in the process of completing his Masters of Taxation Law.

The Company

Aims & Objectives

- To facilitate settlement for the Muslim community and ensure their harmonious participation and contribution to Australia's Multicultural Society (AMS).
- To provide the Muslim community with the appropriate skills needed as participants in the society.
- Promote community self reliance through enhancement of the community structure and support network.
- To provide structures to meet the settlement of disadvantaged members of the Muslim community who face ongoing settlement problems.
- The need to improve access to services and information for members of the Muslim community who face settlement problems because of poor English proficiency, in particular families who lack a social network.
- Raising awareness within the community of the services which are available through mainstream bodies.

We provide the following services

- Arabic Language classes to over 1,500 students.
- Youth counselling and referral work.
- Information, referral and casework.
- Information provided in Arabic on Government and other mainstream service.
- Islamic funeral service.
- Islamic Marriage information, celebrancy and counseling.
- Religious and ethics classes.
- Assistance with government forms (citizenship, Centrelink, migration, Department of Housing, etc.).
- Public benevolent services for the widowed, the needy and the destitute.

The Lebanese Moslem Association

Directors' Report (Continued)

- Organise annual pilgrimage trips.
- Funeral fund.

Review of Operations

The net amount of operating surplus of the Company for the year ended 31 December 2009 was \$859,607 (2008: \$576,587). The Company is exempt from income tax.

Subsequent Events

There has not been any matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments

The Company will continue to carry on the principal activities noted above. There are no likely developments in the activities in future years which will affect the results and therefore require disclosure.

Dividends

The Company's constitution precludes the payment of dividends.

Indemnification of Officers and Auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums to ensure each of the Directors or former Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, Other than conduct involving a wilful breach of duty in relation to the Company.

Remuneration policy for Directors

No Director of the Company has received or become entitled to receive a benefit by reason of a contract entered into by the Company or any entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the director received, or became entitled to receive, the benefit which a Director, or a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest.

The Lebanese Moslem Association

Directors' Report (Continued)

Directors' Meeting

During the financial year, a total of 33 meetings of directors were held. Attendances by each director were as follows:

<u>Directors</u>	<u>Number Attended</u>
Samier Dandan	27
Khaled Alameddine	28
Jihad Dib	7
Dr Mosbah Taha	33
Moataz Zreika	30
Ahmad Kamaledine	31
Ziad Khalil Ghamraoui	31
Rabih ElAyoubi	18
Abdul Nasser ElKassir	28
Said Kanawati	27
Khaled Elkheir	25
Dr Jamal Rifi	6
Hafez Alameddine	28
Shawki Kassir	25
Ibrahim Chahal	22

Non - audit services

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 3 to the financial statements.

Independence Declaration by Auditor

The auditor's independence declaration is included on page 6.

Signed in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the directors



Samier Dandan
President/Director

Sydney, 28 May 2010

CARBONE FALCONER & CO

Chartered Accountants and Business Advisors


ABN 98 320 916 271

Auditor's Independence Declaration to the directors of The Lebanese Moslem Association.

I declare that, to the best of my knowledge and belief, in relation to our audit of The Lebanese Moslem Association for the year ended 31 December 2009 there has been:

1. no contraventions of the auditor's independence requirements as set out in the *Corporations Act* 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.


CARBONE FALCONER & CO


John Falconer
Principal
Sydney
28 May 2010

CARBONE FALCONER & CO

Chartered Accountants and Business Advisors

ABN 98 320 916 271

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE LEBANESE MOSLEM ASSOCIATION

Scope

The financial statements, remuneration disclosures and Directors' responsibility

The financial statements which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director declaration for The Lebanese Moslem Association (the "Company") out on pages 9 to 24.

The Directors of the Company are responsible for the preparing and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit approach

We have conducted an independent audit of the financial statements in order to express an opinion to the members of the Company. Our audit has been conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial statements is presented fairly in accordance with the *Corporations Act 2001* and Accounting Standards and other mandatory professional reporting requirements in Australia 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.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates made by the Directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the Company.

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

Qualification

The Company holds an investment of \$22,266,650 (2008: \$21,343,010) in land and building assets as detailed in the Company balance sheet and further detailed in the notes to the financial statement. We have qualified this amount on the basis that the carrying value stated is based on directors valuation of \$17,000,000 (2008: \$17,000,000) and historical cost of \$5,266,650 (2008: \$4,343,010) where no external valuation by a licensed registered value has been conducted. Therefore, we have been unable to obtain sufficient audit evidence to form an opinion on the true and fair value of the Company investment in land and building.

Independence


We are independent of the Company, and have met the independence requirement of Australian professional ethical pronouncement and the *Corporations Act 2001*. We have given to the director of the Company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Qualified Audit Opinion

In our opinion, except for the effects of any adjustment as might have been required to the financial statements had the matter referred to in the qualification paragraph been know, we have not become aware of any matter that makes us believe that the financial statements of the Company is in accordance the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretation) and the Corporations Regulations 2001.


Carbone Falconer & Co


John Falconer
Principal
Chartered Accountants
28 May 2010

The Lebanese Moslem Association

Directors' Declaration

In accordance with a resolution of the directors of The Lebanese Moslem Association, I State that:

In the opinion of the directors -

- a) the financial statements and notes of the Company are in accordance with the Corporation Act 2001, including:
 - (i). give a true and fair view of the Company's financial position as at 31 December 2009 and of the performance for the year ended on that date; and
 - (ii). Complying with Australian Accounting Standards.

- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed on behalf of the Board



Samier Dandan
President/Director

Sydney, 28 May 2010

The Lebanese Moslem Association

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>Note</u>	<u>2009</u> \$	<u>2008</u> \$
Revenue	2	2,615,096	2,514,196
Administration expenses		(65,258)	(18,384)
Office expenses		(31,457)	(32,240)
Donations		(397,906)	(348,885)
Lakemba mosque expenses		(187,948)	(205,957)
Cabramatta mosque expenses		(67,004)	(66,258)
Other property maintenance expenses		(34,186)	(12,871)
Youth centre expenses		(23,732)	(17,053)
Hajj expenses		(544,184)	(798,980)
Education expenses		(138,100)	(136,615)
Funeral expenses		(96,327)	(88,624)
Welfare expenses		(168,928)	(205,301)
Interest expenses		(459)	(6,440)
Net surplus from continuing operations		859,607	576,588
Income tax expense		-	-
Net surplus for the year		859,607	576,588
Other comprehensive income after income tax		-	-
Total comprehensive income for the year		859,607	576,588
Total comprehensive income attributable to members of the entity		859,607	576,588

The accompanying notes form part of these financial statements.

The Lebanese Moslem Association

BALANCE SHEET AS AT 31 DECEMBER 2009

	<i>Note</i>	<u>2009</u>	<u>2008</u>
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	11(a)	455,842	619,224
Trade and other receivables	5	29,087	17,254
TOTAL CURRENT ASSETS		484,929	636,478
NON-CURRENT ASSETS			
Property, plant and equipment	6	22,379,685	21,394,844
TOTAL NON-CURRENT ASSETS		22,379,685	21,394,844
TOTAL ASSETS		22,864,614	22,031,322
CURRENT LIABILITIES			
Trade and other payables	7	274,345	122,218
Non bearing financial borrowing	8	2,726,718	2,348,018
Short term provision	9	-	7,142
TOTAL CURRENT LIABILITIES		3,001,063	2,477,378
NON-CURRENT LIABILITIES			
Non bearing financial borrowing	8	-	550,000
TOTAL NON-CURRENT LIABILITIES		-	550,000
TOTAL LIABILITIES		3,001,063	3,027,378
NET ASSETS		19,863,551	19,003,944
EQUITY			
Reserves	10	12,232,312	12,232,312
Accumulated surplus		7,631,239	6,771,632
TOTAL EQUITY		19,863,551	19,003,944

The accompanying notes from part of these financial statements.

The Lebanese Moslem Association

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		Assets Revaluation Reserves	Accumulated Surplus	Total
	Note	\$	\$	\$
Balance at 1 January 2009		12,232,312	6,771,632	19,003,944
Surplus attributable to members of the Company (i)		-	859,607	859,607
Balance at 31 December 2009		<u>12,232,312</u>	<u>7,631,239</u>	<u>19,863,551</u>
Balance at 1 January 2008		12,232,312	6,195,044	18,427,356
Surplus attributable to members of the Company (i)		-	576,588	576,587
Balance at 31 December 2008		<u>12,232,312</u>	<u>6,771,632</u>	<u>19,003,944</u>

(i) Surplus attributable to members of the Company comprises the total recognised income and expense for the financial year.

The Lebanese Moslem Association

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<u>Note</u>	<u>2009</u> \$	<u>2008</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/donations/grants		2,595,364	2,523,015
Payments to suppliers and employees		(1,582,537)	(1,952,220)
Interest Paid – Other entity		(459)	(6,440)
Interest Received – Other entity		456	562
FTN Tax paid		(91)	(232)
<i>Net cash provided by operating activities</i>	11(b)	1,012,733	564,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan Proceeds – other entity		615,000	-
Loan repayments – other entity		(1,123,000)	
Improvement to land and building		(308,640)	(858,306)
Sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(696,175)	(244,652)
<i>Net cash used in investing activities</i>		(1,512,815)	(1,102,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Qard-e-Hasan loans		1,185,050	997,750
Repayment of Qard-e-Hasan loans		(848,350)	(677,870)
<i>Net cash provided by financing activities</i>		336,700	319,880
NET (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(163,382)	(218,393)
Cash and cash equivalents at the beginning of the financial year		619,224	837,617
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	11(a)	455,842	619,224

The accompanying notes from part of these financial statements.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial statements are for The Lebanese Moslem Association Limited as an individual entity, incorporated and domiciled in Australia. The Lebanese Moslem Association Limited is a company limited by guarantee. The financial statements were authorised for issue by the directors on 28 May 2010.

The financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and investments in money market instruments with less than 14 days to maturity, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i). where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii). for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Income tax

The Company has been granted a non-for-profit income tax exemption by the Australian Taxation office and is not subject to income tax.

(d) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(e) Comparative figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Land and buildings have been either measured at the director valuation and/or at cost less any impairment losses recognised after the date of the revaluation. Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the Company are recognised at fair value at the date the Company obtains control of the assets.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment - 4 years

Motor Vehicle – 6.5 years

The carrying value of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement. However, because land buildings are measured at revealed amount, impairment losses on land and buildings are treated as a revaluation decrement.

Following initial recognitions at cost, land and building are carried at director valuation which been based on the directors belief on the overall fair value of the combined land and building assets less any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value have been determined by the Director's and reviewed annual to ensure the carrying amounts do not differ materially from the assets' fair values at the balance sheet date.

Land and building are treated as a class of assets. When the carrying value amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve. If the carrying amount of the land and building is decreased as a result of a revaluation, the decrease is recognised in the income statement, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Company or when it has no sale value. Any gain or loss arising on derecognition of the assets is included in the income statement in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

(h) Donations

Donations are recognised when received.

(i) Government funding

The Company care activity is supported by grants received from federal, state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

(j) Fees

Fees charged for care and services provided to customers and members of the Company are recognised when the service is provided.

(k) In-kind donations

Donation received in form of good and services are included at the fair value to the Company where this can be quantified and a third party is bearing the cost.

No Amounts are included in the financial statements for services donated by volunteers.

Goods donated for resale are included as income when they are sold.

(l) Receivables

Trade receivable and other receivable are recorded at amounts due less any allowance for doubtful debts.

(m) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

(n) Leased assets and liabilities

Operating leases

Operating lease payment is recognised as an expense in the income statement on a straight-line basis over the lease term.

(n) Non-bearing financial borrowings

The Company has been granted by its members and its community Qard e Hasan loan to fund and expand its long term objectives which is a benevolent loan contract between two parties for social welfare or for short-term bridge financing. Repayment is for the same amount as the amount borrowed. The borrower can pay more than the amount borrowed as long as it is not stipulated by the contract. The Islamic view of loans is that it is a moral duty of a Muslim to give Qard (loans) to needy borrowers free of charge.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(o) Provisions

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. Vested entitlements are classified as current liabilities.

Employee entitlements expenses and revenues arising in respect of the following categories:

– Wages and salaries, non-monetary benefits, annual leave, long service leave and other leave entitlements; and

– Other types of employee entitlement are charged against profits on the net basis in their respective categories.

The Company contributes to various superannuation funds in respect of its superannuation obligations for its employees. A superannuation contribution of 9% of the employees' salaries and wages is legally enforceable.

(p) Impairment of Assets

At each reporting date, the group reviews the carrying values 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

	<u>2009</u>	<u>2008</u>
	\$	\$
2. PROFIT FROM OPERATIONS		
Revenue from continuing operations consisted of the following items:		
(a) <u>Operating revenue</u>		
Lakemba Mosque	1,103,847	938,731
Cabramatta Mosque	70,837	53,581
Hajj	642,600	823,692
Education	127,039	113,366
Funeral	490,785	379,974
Welfare – grants	179,232	204,290
	2,614,340	2,513,634
(b) <u>Other income</u>		
Other income	300	-
Interest received – other entities	456	562
	756	562
<i>Total other income</i>	756	562
<i>Total revenue from continuing operations</i>	2,615,096	2,514,196

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
3. REMUNERATION OF AUDITORS		
Remuneration of the auditor of the Company for:		
- Auditing the financial statements – Carbone Falconer & Co	<u>2,000</u>	<u>2,000</u>

4. KEY MANAGEMENT PERSONNEL COMPENSATION

Details of key management personnel

The key management personnel of the Company during the year were:

Samier Dandan	President
Khaled Alameddine	Vice President
Jihad Dib	Secretary
Dr Mosbah Taha	Vice Secretary\Education
Moataz Zreika	Treasurer
Ahmad Kamaledine	Vice Treasurer/Mosque
Ziad Khalil Ghamraoui	Office
Rabih ElAyoubi	Youth Centre/Projects
Abdul Nasser ElKassir	Religious
Said Kanawati	Dawaa
Khaled Elkheir	Cemetery\Funeral
Dr Jamal Rifi	Public Relation
Hafez Alameddine	Cemetery\Funeral
Shawki Kassir	Public Relation
Ibrahim Chahal	Youth\Dawaa
Toufic Khalil	Mosque
Mohamed Adra	Marketing
Ahmad Dabbousi	Youth Centre

Components of compensation

Reference should be made to the previous annual report in respect of compensation made to any Directors for services provided (if any).

No Director of the Company has received or become entitled to receive a benefit by reason of a contract entered into by the Company or any entity that the Company controlled or a body corporate that was related to the Company when the contact was made or when the director received, or became entitled to receive, the benefit which a Director, or a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest.

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
5. CURRENT TRADE AND OTHER RECEIVABLES		
Other receivables	<u>29,087</u>	<u>17,254</u>

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
6. PROPERTY, PLANT & EQUIPMENT		
Land and Building Freehold land and at		
- Director valuation	17,000,000	17,000,000
- Independent valuation	-	-
- at cost	<u>4,343,010</u>	<u>4,343,010</u>
Total land and building	<u>22,266,650</u>	<u>21,343,010</u>
Motor Vehicles		
- at cost	44,909	15,000
Less accumulated depreciation	<u>(9,728)</u>	<u>(116)</u>
Total Motor Vehicles	<u>35,181</u>	<u>14,884</u>
Plant & Equipment		
- at cost	207,465	156,199
Less accumulated depreciation	<u>(129,611)</u>	<u>(119,249)</u>
Total plant & equipment	<u>77,854</u>	<u>36,950</u>
Total Property, Plant & Equipment	<u><u>22,379,685</u></u>	<u><u>21,394,844</u></u>
Reconciliation of land and building		
Carrying amount at the beginning of the financial year	21,343,010	18,343,461
Additions/improvements	<u>923,640</u>	<u>2,999,549</u>
Carrying amount at the end of the financial year	<u><u>22,266,650</u></u>	<u><u>21,343,010</u></u>
Reconciliation of motor vehicles		
Carrying amount at the beginning of the financial year	14,884	-
Additions	29,909	15,000
Depreciation expense	<u>(9,612)</u>	<u>(116)</u>
Carrying amount at the end of the financial year	<u><u>35,181</u></u>	<u><u>14,884</u></u>
Reconciliation of plant & equipment		
Carrying amount at the beginning of the financial year	36,950	37,648
Additions	51,266	8,410
Depreciation expense	<u>(10,362)</u>	<u>(9,108)</u>
Carrying amount at the end of the financial year	<u><u>77,854</u></u>	<u><u>36,950</u></u>
7. CURRENT TRADE AND OTHER PAYABLES		
Trade payables	144,945	122,218
Deposit paid	<u>129,400</u>	<u>22,500</u>
	<u><u>274,345</u></u>	<u><u>99,718</u></u>

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Notes	2009 \$	2008 \$
8. NON-FINANCIAL INTEREST BEARING BORROWING			
Current Liability			
Qard e Hasan loans	1(k)	1,314,718	1,278,018
Non-interest Bearing loan (Refer to Note (i) below)		1,412,000	1,070,000
		2,726,718	2,348,018
Non-Current Liability			
Non-interest Bearing loan (Refer to Note (i) below)		-	550,000

Note (i) - Under the term and conditions of the purchase contract for the land and building acquired, in respect of 61 Wangee Road, Lakemba NSW, the balance amount outstanding under the agreed vendor finance is \$425,000 (2008: 495,000).

- Under the term and conditions of the purchase contract for the land and building acquired, in respect of 57 Wangee Road, Lakemba NSW, the balance amount outstanding under the agreed vendor finance is \$312,000 (2008: Nil).

- Under the term and conditions of the purchase contract for the land acquired, in respect of the An Nur Cemetry, the balance amount outstanding under the agreed vendor finance is \$675,000 (2008: 1,425,000) is payable in monthly interest free instalments.

9. SHORT TERM PROVISION

Employee entitlement		-	7,142
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10. RESERVES

Assets Revaluation Reserve

The Assets revaluation reserve records revaluations of non-current assets.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Notes	<u>2009</u>	<u>2008</u>
		<u>\$</u>	<u>\$</u>
11. NOTES TO THE CASH FLOW STATEMENT			
(a) Reconciliation of cash and the equivalents:			
For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand in banks.			
Cash and cash equivalents		455,842	619,224
(b) Reconciliation of net surplus for the period to net cash flows from operating activities:			
Net Surplus for the period		859,607	576,587
Depreciation of non-current assets		19,975	9,223
Changes in net assets and liabilities:			
(increase)/Decrease in receivables		19,367	3,285
Increase/(Decrease) in payables		120,926	(25,006)
Increase/(Decrease) in provision		(7,142)	596
Net cash provided by operating activities		1,012,733	564,685

12. SEGMENT INFORMATION

Geographic Segment

Throughout the financial year the Company's assets, liabilities, revenues and expenses were wholly situated or derived from within Australia.

Business Segment

The Company's predominant activity is the identification and execution of investment opportunities, for any short, medium or long term purpose.

Segment information for the year ended 31 December 2009

Segment Results

	Lakemba Mosque	Cabramatta Mosque	Hajj	Education	Funeral	Welfare – grants	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue	1,103,847	70,837	642,600	127,039	490,785	179,232	2,614,340
Cost	(187,948)	(67,004)	(544,184)	(138,100)	(96,327)	(168,928)	(1,202,491)
Segment results	915,899	3,833	98,416	(11,061)	394,458	10,304	1,411,849
Other Income							756
Administration and other costs							(552,998)
Net Surplus							859,607

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

12. SEGMENT INFORMATION (continued)

Segment Assets and liabilities

	Lakemba Mosque \$	Cabramatta Mosque \$	Hajj \$	Eduction \$	Funeral \$	Welfare – grants \$	Total \$
Assets	5,000,000	1,000,000	-	-	2,667,951	-	8,667,951
Unallocated assets							14,196,663
Total Assets	5,000,000	1,000,000	-	-	2,667,951	-	22,864,614
Liabilities	-	-	-	-	(675,000)	-	(675,000)
Unallocated liabilities							(2,326,063)
Total liabilities	-	-	-	-	(675,000)	-	(3,001,063)

Other Segment information

Depreciation	10,363	-	-	-	9,612	-	19,975
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Segment information for the year ended 31 December 2008

Segment Results

	Lakemba Mosque \$	Cabramatta Mosque \$	Hajj \$	Eduction \$	Funeral \$	Welfare – grants \$	Total \$
Revenue	938,731	53,581	823,692	113,366	379,974	204,290	2,513,634
Cost	(205,957)	(66,258)	(798,980)	(136,615)	(88,624)	(205,301)	(1,501,735)
Segment results	732,774	(12,677)	24,712	(23,249)	291,350	(1,011)	1,011,899
Other income							562
Administration and other costs							(435,873)
Net Surplus							576,588

Segment Assets and liabilities

	Lakemba Mosque \$	Cabramatta Mosque \$	Hajj \$	Eduction \$	Funeral \$	Welfare – grants \$	Total \$
Assets	5,000,000	1,000,000	-	-	2,594,243	-	8,594,243
Unallocated assets							13,437,079
Total Assets	5,000,000	1,000,000	-	-	2,594,343	-	22,031,322
Liabilities	(3,082)	-	(30,000)	-	(1,150,585)	(60)	(1,183,727)
Unallocated liabilities							(1,843,651)
Total liabilities	(3,082)	-	(30,000)	-	(1,150,585)	(60)	(3,027,378)

Other Segment information

Depreciation	3,086	-	-	-	116	-	3,202
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The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

13. RELATED PARTY DISCLOSURES

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 4 to the financial statements.

b) Key management personnel related party transaction

During the financial year ended 31 December 2009 (2008 – Nil) no Director of the Company has received or become entitled to receive a benefit by reason of a contract entered into by the Company or any entity that the Company controlled or a body corporate that was related to the Company when the contact was made or when the director received, or became entitled to receive, the benefit which a Director, or a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest.

Reference should be made to the Company previous annual financial statements for details of any related party transactions that have been made in that financial year.

14. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise of cash at bank. The main purpose for this financial instrument is to finance the Company projects and services.

The Company has various other financial instruments such as trade debtors and creditors, which arise directly from its operations.

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Credit risk management

The credit risks on financial assets of the Company which have been recognised in the Balance sheet are generally the carrying amount, net of any allowance for doubtful debts. The Company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

(c) Fair value of financial instruments

Other than the director valuation of the Company investment in land building as detailed in note 6 the fair values of the other financial assets and liabilities of the Company are approximately equal to their carrying values.

(f) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The Lebanese Moslem Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

15. SUBSEQUENT EVENTS

There has been no matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Lebanese Moslem Association

Corporate Directory

Board of Directors

Samier Dandan
Khaled Alameddine
Jihad Dib
Dr Mosbah Taha
Moataz Zreika
Ahmad Kamaledine
Ziad Khalil Ghamraoui
Rabih ElAyoubi
Abdul Nasser ElKassir
Said Kanawati
Khaled Elkheir
Hafez Alameddine
Shawki Kassir
Ibrahim Chahal

Company Secretary

Khaled Alameddine

Registered Office

65 Wangee Road
Lakemba NSW 2195

Principal Place of Business

84 Wangee Road
Lakemba NSW 2195
Tel: (02) 9750 6833
Fax:(02) 9759 8149
Email : info@lma.org.au
Website : www.lma.org.au

Auditors

Carbone Falconer & Co
Level 1, 58 Restwell Street
Bankstown NSW 2200
Tel: (02) 9962 9120
Fax (02) 8208 9994

Bankers

Arab Bank Australia Limited
Cnr Restwell St and South Terrace
Bankstown NSW 2200

Solicitor

Kheir and Associates
Suite 2, Level 1
200 The Boulevard
Punchbowl 2196
Ph. 9740 6411
Fax. 9740 6422