

**SHAOLIN TEMPLE FOUNDATION (AUSTRALIA) LTD**

**ACN 119 802 372**

**Special Purpose Financial Report  
For the Year ended 30 June 2019**

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## **DIRECTOR'S REPORT**

The Directors present this report on the company for the financial year ended 30 June 2019.

### **DIRECTORS**

The following person were the directors of the company during the financial year and up to the date of this report:

Yongxin SHI	Appointed 22/05/2006
Daliang QIAN	Appointed 04/11/2015
Mingjun HAN	Appointed 22/03/2018
Yanjing SHI	Appointed 16/02/2015
Lide RAO	Appointed 11/07/2019

### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the financial year is undertaking development for the Shaolin Temple within the Sholhaven for a charitable purpose as an advancing religion.

### **REVIEW OF OPERATIONS**

Total revenue for the year was \$1,000,029 (2018: \$330). The total expenses excluding Income Tax expense for the year amounted to \$108,826 (2018: \$48,456).

### **FINANCIAL POSITION**

The net assets of the company at 30 June 2019 were \$44,585 (2018: - \$846,618). Total assets increased by \$2,489,354 to \$10,159,512 and total liabilities increased by \$1,598,151 to \$10,114,927.

### **STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Company during the financial year.

### **AFTER BALANCE DATE EVENTS**

No matters or circumstances haven arisen since the end of the financial year which significantly affected or may significantly affect the operation of the company, the results of those operations, or the state of affairs of the company in the subsequent financial years.

### **FUTURE DEVELOPMENTS AND RESULTS**

Information on likely developments in the operations of the company and the expected results of operations have not been included in the annual report since the directors believe it would be likely to result in unreasonable prejudice to the Company.

### **ENVIRONMENTAL ISSUES**

The Company is not subject to any environmental regulation under Commonwealth or State Law.

## **DIRECTOR'S REPORT**

### **INDEMNIFYING OFFICERS OR AUDITORS**

The Company has not during or since the end of the year indemnified an officer or an auditor of the Company or of any related body corporate, against a liability incurred by such an officer or auditor. The Company has not paid or agreed to pay a premium to insure a current or former officer or the auditor against legal liabilities.

### **PROCEEDINGS**


During the financial year and in the interval between the end of the financial year and the date of this report, the Company has made no application of leave under section 237 of the Corporations Act 2001.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all part of those proceedings. The Company was not a party to any such proceedings in the year.

### **AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with Division 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, the auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.



Daliang QIAN

Director

Dated this \_\_20\_\_ March 2020

## AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Shaolin Temple Foundation (Australia) Ltd for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

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

**Assura Group Pty Ltd**  
**Chartered Accountants**



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**Hanoze Udachia**  
**Director**

Date: 20 March 2020

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Donations		1,000,000	15
Interest Income		29	315
		1,000,029	330
<b>Expenses</b>			
Audit Fees		(5,000)	-
Occupancy Expenses		(10,567)	(12,708)
Consultant and Professional Fee		(27,604)	(24,290)
Forgiveness of Loan		(52,678)	-
Fees and Charge		(5,244)	(1,781)
Travel and Accommodation		(4,155)	(8,210)
Other expenses		(3,578)	(1,467)
		891,203	(48,126)
<b>Net profit/(Loss) before income tax expense</b>		891,203	(48,126)
Income tax expense		-	-
		891,203	(48,126)
<b>Net profit/(Loss) after income tax expense</b>		891,203	(48,126)
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>			
		891,203	(48,126)

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,223,149	28,507
Trade and Other Receivables	3	34,325	22,548
Prepayments	4	5,869	-
<b>TOTAL CURRENT ASSETS</b>		<u>1,263,343</u>	<u>51,055</u>
<b>NON-CURRENT ASSETS</b>			
Trade and Other Receivables	3	4,500	57,178
Property, Plant and Equipment	6	8,891,669	7,561,925
<b>TOTAL NON-CURRENT ASSETS</b>		<u>8,896,169</u>	<u>7,619,103</u>
<b>TOTAL ASSETS</b>		<u>10,159,512</u>	<u>7,670,158</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	86,385	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>86,385</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	8	10,028,542	8,516,776
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>10,028,542</u>	<u>8,516,776</u>
<b>TOTAL LIABILITIES</b>		<u>10,114,927</u>	<u>8,516,776</u>
<b>NET ASSETS</b>		<u>44,585</u>	<u>(846,618)</u>
<b>EQUITY</b>			
Retained Earnings		44,585	(846,618)
<b>TOTAL EQUITY</b>		<u>44,585</u>	<u>(846,618)</u>

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

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2019

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2017</b>	(798,492)	(798,492)
Profit/(Loss) for the year	(48,126)	(48,126)
<b>Balance at 30 June 2018</b>	(846,618)	(846,618)
Profit/(Loss) for the year	891,203	891,203
<b>Balance at 30 June 2019</b>	44,585	44,585

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



**STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash Received from donations		1,000,000	15
Payments to suppliers and employees		(55,497)	(68,064)
Interest received		29	315
<b>Net cash used in operating activities</b>	5(b)	944,532	(67,734)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,261,656)	(351,251)
<b>Net cash provided by investing activities</b>		(1,261,656)	(351,251)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds for related party's Loan		1,512,557	244,200
Repayment to related party's Loan		(791)	-
<b>Net cash inflow from financing activities</b>		1,511,766	244,200
<b>Net (decrease)/increase in cash and cash equivalents</b>		1,194,642	(174,785)
Cash and cash equivalents at beginning of year		28,507	203,292
<b>Cash and cash equivalents at end of year</b>	5(a)	1,223,149	28,507

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

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### **Note 1 – General information and statement of compliance**

The director has prepared the financial statements on the basis that the Company is a non-reporting entity since in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012. Shaolin Temple Foundation (Australia) Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

Shaolin Temple Foundation (Australia) Ltd is a public Company limited by guarantee. The address of its registered office and its principal place of business is Suite 1312,87-89 Liverpool Street, Sydney, NSW 2000.

### **Summary of accounting policies**

#### **(a) Overall considerations**

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liabilities, income and expense. The measurement bases are described in the accounting policies below.

#### **(b) Basis of Preparation**

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in AASB 2 or value in use in AASB 136.

The financial statement has been prepared on an accrual's basis.

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### **(c) Going concern**

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is principally dependent upon the continued support from China Songshan Shaolin Temple.

Notwithstanding this, the financial report has been prepared using the going concern assumption. This basis has been applied as the directors have obtained a letter of financial support from China Songshan Shaolin Temple to ensure that the company can continue to pay its debts as and when they fall due. This letter of financial support will remain in place for a period of at least thirteen months from the date of the auditor's report provided for the year ended 30 June 2019.

### **(d) Significant Accounting Policies**

#### **I. Revenue**

Revenue is measured by reference to the fair value of consideration received or receivable by the Company or goods supplied a service provided, excluding sales taxes, rebates and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met.

Revenue is recognised for the major revenue stream as follows:

#### **Donations**

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

#### **Interest Income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **II. Receivables**

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 90 days overdue.

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### **III. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **IV. Property, Plant and Equipment**

#### **Land**

Land held for use in production or administration is stated at re-valued amounts. Revalued amounts are fair market value based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

#### **Buildings, plant and other equipment**

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Building: 25 - 50 years
- Plant and equipment: 3 -10 years
- Office equipment: 3 -13 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### **V. Employee Benefits**

Provision is made for company's liability for employee benefits arising from services rendered by employee to balance date. 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, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

### **VI. Income Tax**

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

### **VII. Good 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. 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.

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

### **VIII. Accounts payable**

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

### **IX. 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.

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### ***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 in accordance with AASB 15, 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 as amortised cost upon initial recognition:

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 government bonds that were previously classified as held-to-maturity under AASB 139.

#### ***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, contract assets recognised and measured under AASB 15 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.

## **Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)**

### **Subsequent measurement financial assets (continued)**

#### ***Impairment of Financial assets (continued)***

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.

#### ***Classification and measurement of financial liabilities***

As the accounting for financial liabilities remains largely unchanged from AASB 139, the entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The entity's financial liabilities include trade creditors and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### **Accounting policies applicable to comparative period (30 June 2018)**

#### ***Initial recognition and measurement***

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

Financial instruments 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 recognised as expense in profit or loss immediately.

**Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)****Classification and subsequent measurement***(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

**X. Comparative information**

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

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 2 – Cash and cash equivalents</b>		
Current		
Cash at bank	1,223,149	28,507
	<u>1,223,149</u>	<u>28,507</u>
<b>Note 3 – Trade and other receivables</b>		
Current		
GST receivable	34,325	22,548
	<u>34,325</u>	<u>22,548</u>
Non-Current		
Other receivables <sup>1</sup>	4,500	57,178
	<u>4,500</u>	<u>57,178</u>

<sup>1</sup> On 30 June 2019, the board agreed to forgive the \$52,678 loan receivable by Shaolin Temple Foundation (Australia) Ltd. This has been reflected as a forgiveness of debt with the statement of profit or loss and other comprehensive income.



**Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)****Note 4 – Prepayment**

	2019	2018
	\$	\$
Prepayment	5,869	-

**Note 5 – Notes to the Cash Flow Statement**

	2019	2018
	\$	\$

**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in  
The Cash Flow Statement is reconciled to items in the  
Balance Sheet as follows:

Cash at bank	1,223,149	28,507
	<u>1,223,149</u>	<u>28,507</u>

**(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities**

Profits after income tax	891,203	(48,126)
Add non-cash items in operating costs:		
Forgiveness of Loan	52,678	-
Changes in assets and liabilities relating to operations:		
- Trade and other receivables	(11,777)	(19,608)
- Trade and other payables	12,428	-
Net cash used in operating activities	<u>944,532</u>	<u>(67,734)</u>

**Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)****Note 6 – Property, Plant and Equipment**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Land - at cost	5,996,899	5,996,899
Capital work in progress – at cost	2,894,770	1,565,026
Total Carrying amount	<u>8,891,669</u>	<u>7,561,925</u>

## Reconciliation

Reconciliation of the Carrying amount at the beginning and end of the current and previous financial are set out below:

Opening Carrying amount	7,561,925	7,210,674
- Additions	1,329,744	351,251
- Accumulated Depreciation	-	-
Closing Carrying amount	<u>8,891,669</u>	<u>7,561,925</u>

**Note 7 – Trade and other payables**

## Current

Trade payables and Accrued Expenses	<u>86,385</u>	-
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**Note 8 – Financial liabilities**

## Non-Current

Amounts Due to Director <sup>1</sup>	602,200	602,200
Amounts Due to China Songshan Shaolin Temple <sup>2</sup>	9,426,342	7,914,576
	<u>10,028,542</u>	<u>8,516,776</u>

<sup>1</sup> The unsecured loan at nil interest rate that was provided by a Director that was due to mature on 30 January 2020 has been renewed to 30 January 2025

<sup>2</sup> The secured loan from China Songshan Sholin Temple is interest free and carries no set terms of repayments

**Notes to the Financial Statements for the Year Ended 30 June 2019 (continued)****Note 9 – Commitments****Capital commitments**

The capital commitments are to develop proposed temple at Comberton Grange, Falls Creek, south of Nowra as at 30 June 2019. These commitments may be subject to renegotiation and have not been provided for in the financial statements and are due:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Within twelve months	811,000	827,000
Twelve months or longer and not longer than five years	192,000	1,018,000
	<u>1,003,000</u>	<u>1,845,000</u>

**Note 10 – Contingent liabilities**

The Company has no contingent liabilities at 30 June 2019 or 30 June 2018.

**Note 11 – Events after balance sheet date**

In the opinion of the Directors, no items, transactions or events of a material or unusual nature have arisen in the interval between the end of the financial year and the date of this report which have 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 subsequent financial years.

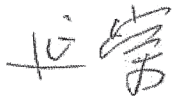
**Director's Declaration  
for the year ended 30 June 2019**

In the opinion of the directors of Shaolin Temple Foundation (Australia) Ltd:

- (a) The company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements;
- (b) The financial statements and notes thereto, present fairly in all material aspects of the financial position of the company as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies described in the Note 1 to the financial statements;
- (c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated this 20 March 2020



Daliang QIAN  
Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SHAOLIN TEMPLE FOUNDATION (AUSTRALIA) LTD**

Assura Group Pty Ltd  
ABN : 30 114 712 462  
Lvl 10, 32-36 Martin Place  
Sydney NSW 2000  
GPO Box 3807 Sydney NSW 2001

**Report on the Audit of the Financial Report**

t 1300 55 33 38  
www.assuragroup.com.au

**Auditor's Opinion**

We have audited the accompanying financial report, being a special purpose financial report of Shaolin Temple Foundation (Australia) Ltd, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, and the statement of changes in equity for the period ended, and notes to the financial statements, including a summary of significant accounting policies, and director's declaration.

In our opinion, the financial report of Shaolin Temple Foundation (Australia) Ltd presents fairly, in all material respects the financial position of Shaolin Temple Foundation (Australia) Ltd as of 30 June 2019 and of its financial performance for the period then ended in accordance with the accounting policies described in Note 1 to the financial statements, including satisfying the requirements of subdivision 60-C (Annual financial reports) of the Australian Charities and Not-for-Profits Commission Act 2012.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the requirements of subdivision 60-C (Annual financial reports) of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Emphasis of Matter regarding the Use of Going Concern Assumption**

We draw attention to the matters disclosed in Note 1(c) Going Concern , which indicates the company was dependent on the continued support from China Songshan Shaolin Temple. This basis has been applied as the directors have obtained a letter of financial support from China Songshan Shaolin Temple to ensure that the company can continue to pay its debts as and when they fall due. This letter of financial support will remain in place for a period of at least thirteen months from the date of the auditor's report provided for the year ended 30 June 2019. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SHAOLIN TEMPLE FOUNDATION (AUSTRALIA) LTD (Cont'd)**

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**Other Matter – Comparative figures**

The comparative figures relating to the year ended 30 June 2018 are unaudited, however, we have obtained sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current year's financial report.

**Responsibilities of the Directors for the Financial Report**

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Auditing Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Shaolin Temple Foundation (Australia) Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the financial reporting process of Shaolin Temple Foundation (Australia) Ltd.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shaolin Temple Foundation (Australia) Ltd's internal control.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SHAOLIN TEMPLE FOUNDATION (AUSTRALIA) LTD (Cont'd)**

**Assura Group Pty Ltd**  
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**Auditor's Responsibilities for the Audit of the Financial Report (cont'd)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shaolin Temple Foundation (Australia) Ltd's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Assura Group Pty Ltd  
Chartered Accountants**



**Hanoze Udachia  
Director**

Date: 20 March 2020