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# Conviction Group Incorporated

ABN 48 747 133 635

Financial Statements  
For the Year Ended 30 June 2020

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**Conviction Group Incorporated**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Financial Year Ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Revenue</b>			
Revenue	4	68,571	148,195
Other income	4	30,472	100
<b>Total revenue</b>		<b>99,043</b>	<b>148,295</b>
<b>Expenses</b>			
Administration		(21,223)	(24,939)
Employee benefits		(85,293)	(91,655)
Forum/mentoring/presentation expenses		(17,476)	(14,598)
Merchandise expenses		(541)	(3,333)
Public fund expenditure		-	-
<b>Total expenses</b>		<b>(124,533)</b>	<b>(134,525)</b>
<b>Net (deficit)/surplus for the year</b>		<b>(25,490)</b>	<b>13,770</b>
Income tax expense		-	-
<b>(Deficit)/surplus after income tax</b>		<b>(25,490)</b>	<b>13,770</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income</b>		<b>(25,490)</b>	<b>13,770</b>

The accompanying notes form part of these financial statements.

**Conviction Group Incorporated**  
**Statement of Financial Position**  
**As at 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	5	108,131	162,575
Trade and other receivables	6	17,537	12,496
Other assets	7	1,632	-
<b>Current assets</b>		<b>127,300</b>	<b>175,071</b>
<b>Non-current</b>			
<b>Non-current assets</b>		-	-
<b>Total assets</b>		<b>127,300</b>	<b>175,071</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	8	20,435	49,050
Provisions	9	6,334	-
<b>Current liabilities</b>		<b>26,769</b>	<b>49,050</b>
<b>Non-current</b>			
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>26,769</b>	<b>49,050</b>
<b>Net assets</b>		<b>100,531</b>	<b>126,021</b>
<b>Equity</b>			
Accumulated funds		100,531	126,021
<b>Total equity</b>		<b>100,531</b>	<b>126,021</b>

The accompanying notes form part of these financial statements.

**Conviction Group Incorporated**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2020**

	<b>Accumulated Funds \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2018</b>	112,251	<b>112,251</b>
Surplus for the year	13,770	<b>13,770</b>
Other comprehensive income	-	-
Total comprehensive income	13,770	<b>13,770</b>
<b>Balance at 30 June 2019</b>	<b>126,021</b>	<b>126,021</b>
<b>Balance at 1 July 2019</b>	126,021	<b>126,021</b>
Deficit for the year	(25,490)	<b>(25,490)</b>
Other comprehensive income	-	-
Total comprehensive loss	(25,490)	<b>(25,490)</b>
<b>Balance at 30 June 2020</b>	<b>100,531</b>	<b>100,531</b>

The accompanying notes form part of these financial statements.

**Conviction Group Incorporated**  
**Statement of Cash Flows**  
**For the Financial Year Ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and others		83,543	121,389
Receipts from donors		15,000	50,870
Receipts from government stimulus		10,000	-
Payments to suppliers and employees		(162,987)	(127,107)
<b>Net cash (used in)/provided by operating activities</b>		<b>(54,444)</b>	<b>45,152</b>
<b>Cash flows from investing activities</b>		-	-
<b>Net cash provided by investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net cash provided by financing activities</b>		-	-
Net change in cash and cash equivalents		(54,444)	45,152
Cash and cash equivalents at beginning of financial year	5	162,575	117,423
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<b>108,131</b>	<b>162,575</b>

The accompanying notes form part of these financial statements.

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**1. General information**

The financial statements cover Conviction Group Incorporated, an entity incorporated in Australia. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was authorised for issue by the Board on 2 December 2020.

**2. Changes in accounting policies**

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

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2019, the key ones of which are summarised below:

*AASB 16 Leases*

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this standard. An entity shall apply this standard consistently to contracts with similar characteristics and in similar circumstances. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

*AASB 15 Revenue from Contracts with Customers*

The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

*AASB 1058 Income of Not-for-Profit Entities*

This standard provides a more comprehensive model for accounting for income of not-for-profit entities for the recognition of income. Under this standard, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

**Accounting Standards issued but not yet effective and not been adopted early by the entity**

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Board is currently assessing the impact such standards will have on the entity.

**3. Summary of significant accounting policies**

**Financial reporting framework**

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**Statement of compliance**

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

**Basis of preparation**

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

**Revenue**

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

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 to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

**Foreign currency**

Transactions in foreign currencies are translated to the functional currency at exchange rates at the date of transactions. Amounts outstanding are translated at year end. Foreign currency differences are recognised in the statement of profit or loss and other comprehensive income.

**Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

**Income tax**

No provision for income tax has been raised as the entity is exempt from income tax as a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

**Cash and cash equivalents**

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

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

**Impairment of assets**

At the end of each reporting period the entity determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.



**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The entity's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the entity renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the entity does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if the intention of the entity's management is to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as:

- (a) loans and receivables
- (b) held-to-maturity investments or
- (c) financial assets at fair value through profit or loss.

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

Listed shares held by the entity that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the entity's right to receive the dividends is established.

Impairment of financial assets

At the end of the reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Impairment of financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts. All other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Impairment of available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The entity's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and 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.

**Deferred income**

The liability for deferred income is the unutilised amount received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

**Comparative figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

**Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

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

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

	2020	2019
	\$	\$
<b>4. Revenue</b>		
Forum/mentoring/presentation revenue	52,040	92,400
Merchandise sales	1,531	4,925
Public fund donations	-	10,100
Other donations	15,000	40,770
	<b>68,571</b>	<b>148,195</b>
<b>Other income</b>		
Cash Flow Boost	18,537	-
JobKeeper	9,000	-
Other revenue	2,935	100
	<b>30,472</b>	<b>100</b>
<b>5. Cash and cash equivalents</b>		
Cash at bank	98,031	152,475
Public fund account	10,100	10,100
	<b>108,131</b>	<b>162,575</b>
<b>6. Trade and other receivables</b>		
Trade receivables	-	12,386
Accrued income	17,537	110
	<b>17,537</b>	<b>12,496</b>
<b>7. Other assets</b>		
Prepayments	1,632	-
	<b>1,632</b>	-
<b>8. Trade and other payables</b>		
<b>Current</b>		
Accrued expenses	11,435	36,445
Net GST payable	-	12,605
Forum income repayable	9,000	-
	<b>20,435</b>	<b>49,050</b>
<b>9. Provisions</b>		
Provision for employee benefits	6,334	-
	<b>6,334</b>	-

**Conviction Group Incorporated**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2020**

**10. Public Fund**

The entity maintains a public fund and is included on the Register of Harm Prevention Charities. Legislation requires information on the expenditure of public fund monies and the management of public fund assets. Such information is included below.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Opening balance as at 1 July	10,100	-
Public fund donations	-	10,100
Public fund expenditure	-	-
Closing balance as at 30 June	<u><u>10,100</u></u>	<u><u>10,100</u></u>

**11. Related parties**

The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

**12. Commitments**

The entity had no material commitments as at 30 June 2020 (2019: None).

**13. Contingent liabilities**

There are no contingent liabilities as at 30 June 2020 (2019: None).

**14. Subsequent events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

**Conviction Group Incorporated  
Responsible Entities' Declaration  
For the Financial Year Ended 30 June 2020**

The Responsible Persons declare that in the Responsible Persons' opinion:

- a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - i) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Simon Teh  
Vice Chairman  
2 December 2020  
Sydney, New South Wales



Patrick Jabbour  
Treasurer  
2 December 2020  
Sydney, New South Wales



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**Conviction Group Incorporated**  
**Auditor's Independence Declaration to the Board of Conviction Group Incorporated**  
**For the Financial Year Ended 30 June 2020**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Conviction Group Incorporated for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

A handwritten signature in black ink that reads "Simon Joyce". The signature is written in a cursive, flowing style.

**Simon Joyce**

Director

2 December 2020

Sydney, New South Wales

**Conviction Group Incorporated**  
**Independent Auditor's Report to the Members of Conviction Group Incorporated**  
**For the Financial Year Ended 30 June 2020**

**Qualified Opinion**

We have audited the financial report of Conviction Group Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial report of Conviction Group Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Qualified Opinion**

We were appointed as auditor of the entity on 20 November 2020 and were unable to obtain and sufficient and appropriate audit evidence in relation to opening balances for the financial year ended 30 June 2020. Since opening balances enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the income or expenses for the year reported in the statement of profit or loss and other comprehensive income or cash flows reported in the statement of cash flows. As such, our opinion is qualified with respect to opening balances for the financial year ended 30 June 2020 and the statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 30 June 2020.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity 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.

**Responsibilities of Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



**Conviction Group Incorporated  
Independent Auditor's Report to the Members of Conviction Group Incorporated  
For the Financial Year Ended 30 June 2020**

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so. The responsible entities are also responsible for overseeing the registered entity's financial reporting process.

**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 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 the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



**SDJA**



**Simon Joyce**

Director

2 December 2020

Sydney, New South Wales