

# **The Slavic Gospel Association Inc**

**ABN 31 731 714 749**

## **Financial Statements**

**For the Year Ended 31 December 2020**

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Contents

For the Year Ended 31 December 2020

	Page
<b>Financial Statements</b>	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Responsible Persons' Declaration	12
Auditor's Independence Declaration	13
Independent Audit Report	14

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	549,634	360,676
Designated gifts distributed		(328,241)	(226,170)
Advertising and magazine expenses		(14,442)	(14,081)
Employee benefits expense		(105,538)	(109,226)
Audit and accounting fees		(5,628)	(4,448)
Depreciation and amortisation expense		(2,318)	(2,377)
Office admin expenses		(13,948)	(15,208)
Other expenses		(1,552)	(16,641)
Bank fees		(1,296)	(1,387)
		<u>(472,963)</u>	<u>(389,538)</u>
<b>(Deficit)/surplus before income tax expense</b>		<b>76,671</b>	<b>(28,862)</b>
Income tax expense		-	-
		<u>76,671</u>	<u>(28,862)</u>
<b>(Deficit)/surplus after income tax expense for the year attributable to the members of The Slavic Gospel Association Inc</b>		<b>76,671</b>	<b>(28,862)</b>
Revaluation changes for property, plant and equipment		-	130,823
Other comprehensive income for the year, net of tax		-	130,823
		<u>-</u>	<u>130,823</u>
<b>Total comprehensive income for the year attributable to the members of The Slavic Gospel Association Inc</b>		<b>76,671</b>	<b>101,961</b>

The accompanying notes form part of these financial statements.

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	228,257	148,022
Trade and other receivables	6	566	1,129
Financial assets	7	139,385	87,750
Other assets	8	1,753	1,745
TOTAL CURRENT ASSETS		<u>369,961</u>	<u>238,646</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	604,783	606,866
TOTAL NON-CURRENT ASSETS		<u>604,783</u>	<u>606,866</u>
TOTAL ASSETS		<u>974,744</u>	<u>845,512</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	10,317	10,507
Employee benefits	11	36,179	30,150
Other liabilities	12	210,000	160,000
TOTAL CURRENT LIABILITIES		<u>256,496</u>	<u>200,657</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	-	3,278
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>3,278</u>
TOTAL LIABILITIES		<u>256,496</u>	<u>203,935</u>
NET ASSETS		<u>718,248</u>	<u>641,577</u>
<b>EQUITY</b>			
Reserves		510,545	510,545
Retained earnings		207,703	131,032
TOTAL EQUITY		<u>718,248</u>	<u>641,577</u>

The accompanying notes form part of these financial statements.

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2020</b>	131,032	510,545	641,577
Surplus after income tax expense for the year	76,671	-	76,671
Other comprehensive income, net of tax	-	-	-
<b>Total comprehensive income for the year</b>	<b>76,671</b>	<b>-</b>	<b>76,671</b>
<b>Balance at 31 December 2020</b>	<b>207,703</b>	<b>510,545</b>	<b>718,248</b>

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2019</b>	159,894	379,722	539,616
Deficit after income tax expense for the year	(28,862)	-	(28,862)
Other comprehensive income, net of tax	-	130,823	130,823
<b>Total comprehensive income for the year</b>	<b>(28,862)</b>	<b>130,823</b>	<b>101,961</b>
<b>Balance at 31 December 2019</b>	<b>131,032</b>	<b>510,545</b>	<b>641,577</b>

The accompanying notes form part of these financial statements.

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	549,953	355,858
Payments to suppliers and employees	(471,392)	(382,449)
Interest received	3,544	5,073
Net cash provided by/(used in) operating activities	14 <u>82,105</u>	<u>(21,518)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(235)	(1,431)
Purchase of investments	(51,635)	(2,343)
Net cash provided by/(used in) investing activities	<u>(51,870)</u>	<u>(3,774)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	<u>50,000</u>	-
Net cash provided by/(used in) financing activities	<u>50,000</u>	-
Net increase/(decrease) in cash and cash equivalents held	80,235	(25,292)
Cash and cash equivalents at beginning of year	148,022	173,314
Cash and cash equivalents at end of financial year	5 <u><u>228,257</u></u>	<u><u>148,022</u></u>

The accompanying notes form part of these financial statements.

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Notes to the Financial Statements For the Year Ended 31 December 2020

The financial report covers The Slavic Gospel Association Inc as an individual entity. The Slavic Gospel Association Inc is a not-for-profit Association, registered and domiciled in Australia.

The principal activity of the Association for the year ended 31 December 2020 was to sponsor and provide for Russian-language Bibles and Christian literature or publications. The association's activities also involve providing for Bible training, sponsoring various missionaries and ministries and occasionally providing humanitarian aid on an as-needed basis.

The functional and presentation currency of The Slavic Gospel Association Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition, measurement and disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

#### *Compliance with Australian Accounting Standards*

These financial statements do not comply with all the recognition and measurement requirements in the Australian Accounting Standards. The material accounting policies adopted in the special purpose financial statements are set out in Note 2.

The entity has not assessed how its significant accounting policies differ from the recognition and measurement requirements contained in Australian Accounting Standards that do not apply to it.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### **Interest income**

Interest income is recognised when received.

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (c) 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.

#### (d) Property, plant and equipment

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

##### Depreciation

Buildings are depreciated on a straight-line bases and Office equipment is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	40 years
Office Equipment	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Association 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

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

##### Classification

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

- amortised cost

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



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(e) Financial instruments**

###### **Financial assets**

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

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

###### *Other financial assets measured at amortised cost*

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

###### **Financial liabilities**

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise of loans.

##### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(g) Employee benefits**

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Key estimates - 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.

##### Key estimates - employee provisions

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

##### Key estimates - useful lives of assets

The association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### 4 Revenue and Other Income

	2020	2019
	\$	\$
Interest	3,544	5,073
Donations - designated	421,748	228,813
Bequests and donations - undesignated	104,342	126,790
Government Cash Flow Boost	20,000	-
	<u>549,634</u>	<u>360,676</u>

#### 5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	100	100
Cash at bank	123,696	45,273
Deposits at call	104,461	102,649
	<u>228,257</u>	<u>148,022</u>

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 6 Trade and Other Receivables

	2020	2019
	\$	\$
Net GST receivable	566	1,129
	<u>566</u>	<u>1,129</u>

### 7 Financial Assets

	2020	2019
	\$	\$
Term deposits	139,385	87,750
	<u>139,385</u>	<u>87,750</u>

### 8 Other Assets

	2020	2019
	\$	\$
Prepayments	1,753	1,745
	<u>1,753</u>	<u>1,745</u>

### 9 Property, plant and equipment

	2020	2019
	\$	\$
<b>Land</b>		
At independent valuation	510,545	510,545
Land - at cost	55,000	55,000
Total land	<u>565,545</u>	<u>565,545</u>
<b>Buildings</b>		
At cost	77,636	77,636
Accumulated depreciation	(40,121)	(38,180)
Total buildings	<u>37,515</u>	<u>39,456</u>
<b>Office equipment</b>		
At cost	5,602	5,367
Accumulated depreciation	(3,879)	(3,502)
Total office equipment	<u>1,723</u>	<u>1,865</u>
<b>Total property, plant and equipment</b>	<u>604,783</u>	<u>606,866</u>

The property which consists of the land and buildings of the Association have been revalued at \$605,000 as at 31st December 2019 based on the real estate valuation report on 4th February 2020.

# The Slavic Gospel Association Inc

ABN 31 731 714 749

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 10 Trade and Other Payables

	2020	2019
	\$	\$
Accrued expenses	7,259	7,257
PAYG payable	3,058	3,250
	<u>10,317</u>	<u>10,507</u>

### 11 Employee Benefits

#### (a) Current liabilities

	2020	2019
	\$	\$
Annual leave	5,950	4,655
Long service leave	30,229	25,495
	<u>36,179</u>	<u>30,150</u>

#### (b) Non-current liabilities

	2020	2019
	\$	\$
Long service leave	-	3,278
	<u>-</u>	<u>3,278</u>

### 12 Other Liabilities

	2020	2019
	\$	\$
Loan	210,000	160,000
	<u>210,000</u>	<u>160,000</u>

The loan is unsecured, interest free and repayable on demand.

### 13 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration paid or payable to the auditor, rdl.accountants, for:		
- audit services	3,225	3,225
- preparation of statutory financials	563	510
- general consulting	1,840	713
	<u>5,628</u>	<u>4,448</u>

## The Slavic Gospel Association Inc

ABN 31 731 714 749

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 14 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Surplus/(deficit) after income tax expense for the year	76,671	(28,862)
Non-cash flows in profit:		
- depreciation	2,318	2,377
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	563	255
- (increase)/decrease in prepayments	(8)	577
- increase/(decrease) in trade and other payables	(190)	(1,098)
- increase/(decrease) in employee benefits	2,751	5,233
Cashflows from operations	<u>82,105</u>	<u>(21,518)</u>

#### 15 COVID-19

Since being declared a pandemic, COVID-19 has had a significant impact on the Australian economy. At this stage, it is impossible to accurately estimate the financial effect that the COVID-19 virus and associated measures will have on the Association. The Committee of Management has assessed the impact of COVID-19 on the Association and although operations have been adapted to comply with various restrictions, the Association is expected to continue. Furthermore, the Association has been a recipient of various Government subsidies such as the Cash Flow Boost for businesses.

#### 16 Statutory Information

The registered office and principal place of business of the association is:

The Slavic Gospel Association Inc  
351 Princes Highway  
NOBLE PARK VIC 3174

**The Slavic Gospel Association Inc**

ABN 31 731 714 749

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- 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; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Responsible person .....  ..... Responsible person .....  .....

Dated 19<sup>th</sup> March 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE RESPONSIBLE PERSONS OF THE SLAVIC GOSPEL ASSOCIATION INC.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA  
rdl.accountants

19 March 2021  
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SLAVIC GOSPEL ASSOCIATION INC.

## Report on the Financial Report

### *Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of The Slavic Gospel Association Inc. (the association), which comprises the statement of financial position as at 31 December 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, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible persons' declaration.

In our opinion the financial report of The Slavic Gospel Association Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the association's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act Regulation 2013*.

### *Basis for Opinion*

We have conducted our audit in accordance with the 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 association in accordance with the ethical requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the committee members, would be in the same terms if given to them as at the time of this auditor's report.

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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee members' financial reporting responsibilities under 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.

### *Responsibilities of Committee members for the Financial Report*

The committee members of the association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the committee members are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibility 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 Australian Auditing Standards, we exercise professional judgment 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 association'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 report or, 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 association 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Hung, CA  
rdl.accountants  
24 March 2021  
Blackburn, Victoria