

The Slavic Gospel Association Inc

ABN 31 731 714 749

Financial Statements

For the Year Ended 31 December 2022

The Slavic Gospel Association Inc

ABN 31 731 714 749

Contents

For the Year Ended 31 December 2022

	Page
Financial Statements	
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 2022

		2022	2021
	Note	\$	\$
Revenue	4	598,091	399,423
Designated gifts distributed		(465,685)	(278,516)
Advertising and magazine expenses		(18,592)	(14,017)
Employee benefits expense		(106,499)	(114,478)
Audit and accounting fees		(5,765)	(4,800)
Depreciation and amortisation expense		(2,217)	(2,285)
Office admin expenses		(13,061)	(14,542)
Other expenses		(2,269)	(1,886)
Bank fees		(1,201)	(1,117)
		<u>(615,289)</u>	<u>(431,641)</u>
(Deficit)/surplus before income tax expense		(17,198)	(32,218)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
(Deficit)/surplus after income tax expense for the year attributable to the members of The Slavic Gospel Association Inc		<u>(17,198)</u>	<u>(32,218)</u>
Other comprehensive income for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of The Slavic Gospel Association Inc		<u><u>(17,198)</u></u>	<u><u>(32,218)</u></u>

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 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	182,197	194,285
GST Receivable		908	529
Term Deposits		142,434	140,986
Prepayments		1,753	1,753
TOTAL CURRENT ASSETS		<u>327,292</u>	<u>337,553</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>600,281</u>	602,498
TOTAL NON-CURRENT ASSETS		<u>600,281</u>	<u>602,498</u>
TOTAL ASSETS		<u>927,573</u>	<u>940,051</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	8,290	11,689
Employee benefits	8	50,449	42,332
Other Liabilities	9	200,000	200,000
TOTAL CURRENT LIABILITIES		<u>258,739</u>	<u>254,021</u>
TOTAL LIABILITIES		<u>258,739</u>	<u>254,021</u>
NET ASSETS		<u>668,834</u>	<u>686,030</u>
EQUITY			
Reserves		510,545	510,545
Retained earnings		<u>158,289</u>	<u>175,485</u>
TOTAL EQUITY		<u>668,834</u>	<u>686,030</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 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	175,485	510,545	686,030
Surplus/ (deficit) after income tax expense for the year	(17,198)	-	(17,198)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income for the year	(17,198)	-	(17,198)
Balance at 31 December 2022	158,287	510,545	668,832

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2021	207,703	510,545	718,248
Deficit after income tax expense for the year	(32,218)	-	(32,218)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income for the year	(32,218)	-	(32,218)
Balance at 31 December 2021	175,485	510,545	686,030

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 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	595,160	400,015
Payments to suppliers and employees	(608,353)	(425,154)
Interest received	2,552	2,768
Net cash provided by/(used in) operating activities	11 <u>(10,641)</u>	<u>(22,371)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	<u>(1,448)</u>	(1,601)
Net cash provided by/(used in) investing activities	<u>(1,448)</u>	<u>(1,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(12,089)	(23,972)
Cash and cash equivalents at beginning of year	<u>194,286</u>	<u>228,257</u>
Cash and cash equivalents at end of financial year	5 <u><u>182,197</u></u>	<u><u>204,285</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 2022

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 2022 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.

(i) Interest income

Interest income is recognised when received.

Notes to the Financial Statements For the Year Ended 31 December 2022

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.

The Association's policy is to revalue land and buildings every five years so as to ensure the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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:

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Association's financial assets measured at amortised cost comprise 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.

The Slavic Gospel Association Inc

ABN 31 731 714 749

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(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 .

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

	2022	2021
	\$	\$
Interest	2,552	2,768
Donations - designated	512,255	322,013
Bequests and donations - undesignated	83,284	74,642
	<u>598,091</u>	<u>399,423</u>

5 Cash and Cash Equivalents

	2022	2021
	\$	\$

The Slavic Gospel Association Inc

ABN 31 731 714 749

Notes to the Financial Statements For the Year Ended 31 December 2022

5 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	100	100
Cash at bank	75,366	88,557
Deposits at call	106,731	105,628
	<u>182,197</u>	<u>194,285</u>

6 Property, plant and equipment

	2022	2021
	\$	\$
Land		
At independent valuation	510,545	510,545
Land - at cost	55,000	55,000
Total land	<u>565,545</u>	<u>565,545</u>
Buildings		
At cost	77,636	77,636
Accumulated depreciation	(44,003)	(42,062)
Total buildings	<u>33,633</u>	<u>35,574</u>
Office equipment		
At cost	5,602	5,602
Accumulated depreciation	(4,499)	(4,223)
Total office equipment	<u>1,103</u>	<u>1,379</u>
Total property, plant and equipment	<u>600,281</u>	<u>602,498</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.

7 Trade and Other Payables

	2022	2021
	\$	\$
Accrued expenses	7,257	7,258
PAYG payable	1,033	4,431
	<u>8,290</u>	<u>11,689</u>

The Slavic Gospel Association Inc

ABN 31 731 714 749

Notes to the Financial Statements For the Year Ended 31 December 2022

8 Employee Benefits

(a) Current liabilities

	2022	2021
	\$	\$
Annual leave	14,479	10,079
Long service leave	35,970	32,253
	<u>50,449</u>	<u>42,332</u>

9 Other Liabilities

	2022	2021
	\$	\$
Loan	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

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

10 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration paid or payable to the auditor, rdl.accountants, for:		
- audit services	3,375	3,300
- assistance with preparation of statutory financials	623	600
- general consulting	567	2,100
	<u>4,565</u>	<u>6,000</u>

11 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:

	2022	2021
	\$	\$
Surplus/(deficit) after income tax expense for the year	(17,198)	(32,218)
Non-cash flows in profit:		
- depreciation	2,217	2,285
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(379)	37
- increase/(decrease) in trade and other payables	(3,398)	1,371
- increase/(decrease) in employee benefits	8,117	6,153
Cashflows from operations	<u>(10,641)</u>	<u>(22,372)</u>

The Slavic Gospel Association Inc

ABN 31 731 714 749

Notes to the Financial Statements For the Year Ended 31 December 2022

12 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

13 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

The Slavic Gospel Association Inc

ABN 31 731 714 749

Auditor's Independence Declaration under Section 60-40 of the 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 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

[Enter place of signing]

The Slavic Gospel Association Inc

Independent Audit Report to the members of The Slavic Gospel Association Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Slavic Gospel Association Inc, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 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:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. 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 Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Slavic Gospel Association Inc

Independent Audit Report to the members of The Slavic Gospel Association Inc

In preparing the financial report, the 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 intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

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.

Location

Dated this day of 2022