

The Slavic Gospel Association Inc

ABN 31 731 714 749

Financial Statements

For the Year Ended 31 December 2021

The Slavic Gospel Association Inc

ABN 31 731 714 749

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For the Year Ended 31 December 2021

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	4	399,423	549,634
Designated gifts distributed		(278,516)	(328,241)
Advertising and magazine expenses		(14,017)	(14,442)
Employee benefits expense		(114,478)	(105,538)
Audit and accounting fees		(4,800)	(5,628)
Depreciation and amortisation expense		(2,285)	(2,318)
Office admin expenses		(14,542)	(13,948)
Other expenses		(1,886)	(1,552)
Bank fees		(1,117)	(1,296)
		<u>(431,641)</u>	<u>(472,963)</u>
(Deficit)/surplus before income tax expense		(32,218)	76,671
Income tax expense		-	-
		<u>(32,218)</u>	<u>76,671</u>
(Deficit)/surplus after income tax expense for the year attributable to the members of The Slavic Gospel Association Inc		(32,218)	76,671
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		(32,218)	76,671

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	194,285	228,257
GST Receivable		529	566
Term Deposits		140,986	139,385
Prepayments		1,753	1,753
TOTAL CURRENT ASSETS		<u>337,553</u>	<u>369,961</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	602,498	604,783
TOTAL NON-CURRENT ASSETS		<u>602,498</u>	<u>604,783</u>
TOTAL ASSETS		<u>940,051</u>	<u>974,744</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	11,689	10,317
Employee benefits	8	42,332	36,179
Other Liabilities	9	200,000	210,000
TOTAL CURRENT LIABILITIES		<u>254,021</u>	<u>256,496</u>
TOTAL LIABILITIES		<u>254,021</u>	<u>256,496</u>
NET ASSETS		<u>686,030</u>	<u>718,248</u>
EQUITY			
Reserves		510,545	510,545
Retained earnings		175,485	207,703
TOTAL EQUITY		<u>686,030</u>	<u>718,248</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2021

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

2020

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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	400,015	549,953
Payments to suppliers and employees	(425,154)	(471,392)
Interest received	2,768	3,544
Net cash provided by/(used in) operating activities	11 <u>(22,371)</u>	<u>82,105</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(235)
Purchase of investments	(1,601)	(51,635)
Net cash provided by/(used in) investing activities	<u>(1,601)</u>	<u>(51,870)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	50,000
Payment of borrowings	(10,000)	-
Net cash provided by/(used in) financing activities	<u>(10,000)</u>	<u>50,000</u>
Net increase/(decrease) in cash and cash equivalents held	(33,972)	80,235
Cash and cash equivalents at beginning of year	228,257	148,022
Cash and cash equivalents at end of financial year	5 <u>194,285</u>	<u>228,257</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2021

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 2021 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2021

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:

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Notes to the Financial Statements

For the Year Ended 31 December 2021

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2021

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

	2021	2020
	\$	\$
Interest	2,768	3,544
Donations - designated	322,013	421,748
Bequests and donations - undesignated	74,642	104,342
Government Cash Flow Boost	-	20,000
	399,423	549,634

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Notes to the Financial Statements For the Year Ended 31 December 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	100	100
Cash at bank	88,557	123,696
Deposits at call	105,628	104,461
	<u>194,285</u>	<u>228,257</u>

6 Property, plant and equipment

	2021	2020
	\$	\$
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	(42,062)	(40,121)
Total buildings	<u>35,574</u>	<u>37,515</u>
Office equipment		
At cost	5,602	5,602
Accumulated depreciation	(4,223)	(3,879)
Total office equipment	<u>1,379</u>	<u>1,723</u>
Total property, plant and equipment	<u>602,498</u>	<u>604,783</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

	2021	2020
	\$	\$
Accrued expenses	7,258	7,259
PAYG payable	4,431	3,058
	<u>11,689</u>	<u>10,317</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Employee Benefits

(a) Current liabilities

	2021	2020
	\$	\$
Annual leave	10,079	5,950
Long service leave	32,253	30,229
	<u>42,332</u>	<u>36,179</u>

9 Other Liabilities

	2021	2020
	\$	\$
Loan	200,000	210,000
	<u>200,000</u>	<u>210,000</u>

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

10 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration paid or payable to the auditor, rdl.accountants, for:		
- audit services	3,300	3,225
- assistance with preparation of statutory financials	600	563
- general consulting	2,100	1,840
	<u>6,000</u>	<u>5,628</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:

	2021	2020
	\$	\$
Surplus/(deficit) after income tax expense for the year	(32,218)	76,671
Non-cash flows in profit:		
- depreciation	2,286	2,318
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	37	563
- (increase)/decrease in prepayments	-	(8)
- increase/(decrease) in trade and other payables	1,371	(190)
- increase/(decrease) in employee benefits	6,153	2,751
Cashflows from operations	<u>(22,371)</u>	<u>82,105</u>

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Notes to the Financial Statements For the Year Ended 31 December 2021

12 COVID-19

Since being declared a pandemic, COVID-19 has had a significant impact on the Australian economy. 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.

13 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.

14 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

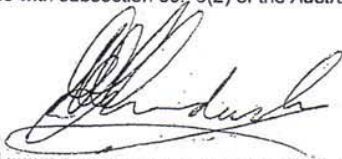
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Responsible Persons' Declaration

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 17th March 2022

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 2021 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

18 March 2022
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 2021, the statement of profit or loss and 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 2021 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 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
18 March 2022
Blackburn, Victoria