

# **The Slavic Gospel Association Inc**

**31731714749**

## **Financial Statements**

**For the Year Ended 31 December 2017**

**The Slavic Gospel Association Inc**

31731714749

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**For the Year Ended 31 December 2017**

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**The Slavic Gospel Association Inc**

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**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2017**

		2017	2016
	Note	\$	\$
Revenue	4	384,600	504,205
Designated gifts distributed		(298,747)	(383,215)
Advertising and magazine expenses		(19,726)	(23,415)
Employee benefits expense		(98,657)	(77,176)
Audit of the financial statements	11	(3,940)	(3,831)
Depreciation and amortisations expenses		(2,212)	(2,280)
Office admin expenses		(15,508)	(13,915)
Other expenses		(3,541)	(8,457)
Bank fees		(1,533)	(3,002)
<b>Surplus/(deficit) before income tax expense</b>		<b>(59,264)</b>	<b>(11,086)</b>
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to members of Slavic Gospel Association Inc.</b>		<b>(59,264)</b>	<b>(11,086)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Total comprehensive income for the year attributable to the members of Slavic Gospel Association Inc.</b>		<b>(59,264)</b>	<b>(11,086)</b>

The accompanying notes form part of these financial statements.

# The Slavic Gospel Association Inc

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## Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	121,916	95,873
Trade and other receivables	6	567	2,761
Short-term bank deposits		83,024	80,708
Other		2,069	2,069
<b>TOTAL CURRENT ASSETS</b>		<b>207,576</b>	<b>181,411</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	479,146	481,357
<b>TOTAL NON-CURRENT ASSETS</b>		<b>479,146</b>	<b>481,357</b>
<b>TOTAL ASSETS</b>		<b>686,722</b>	<b>662,768</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	12,493	5,984
Employee benefits	9	28,555	21,846
Borrowings	10	160,000	90,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>201,048</b>	<b>117,830</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<b>201,048</b>	<b>117,830</b>
<b>NET ASSETS</b>		<b>485,674</b>	<b>544,938</b>
<b>MEMBERS' FUNDS</b>			
Reserves		379,722	379,722
Retained profits		105,952	165,216
<b>TOTAL MEMBERS' FUNDS</b>		<b>485,674</b>	<b>544,938</b>

The accompanying notes form part of these financial statements.

**The Slavic Gospel Association Inc**

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**Statement of Changes in Equity  
For the Year Ended 31 December 2017**

**2017**

	<b>Designated gift reserve</b>	<b>Revaluation reserve</b>	<b>Retained surpluses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2017</b>	-	379,722	165,216	544,938
Deficit after income expense for the year	-	-	(59,264)	(59,264)
<b>Balance at 31 December 2017</b>	-	379,722	105,952	485,674

**2016**

	<b>Designated gift reserve</b>	<b>Revaluation reserve</b>	<b>Retained surpluses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2016</b>	33,079	382,364	143,223	558,666
Deficit after income tax expense for the year	-	-	(11,086)	(11,086)
Transfer to/from reserves	(33,079)	-	33,079	-
Revaluation of property	-	(2,642)	-	(2,642)
<b>Balance at 31 December 2016</b>	-	379,722	165,216	544,938

The accompanying notes form part of these financial statements.

**The Slavic Gospel Association Inc**

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**Statement of Cash Flows  
For the Year Ended 31 December 2017**

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	380,674	499,506
Payments to suppliers and employees	(426,902)	(511,508)
Interest received	6,120	4,033
Interest paid	(1,533)	(3,002)
Net cash provided by/(used in) operating activities	12 <u>(41,641)</u>	<u>(10,971)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for investments	<u>(2,316)</u>	(2,368)
Net cash provided by/(used in) investing activities	<u>(2,316)</u>	<u>(2,368)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	<u>70,000</u>	-
Net cash provided by/(used in) financing activities	<u>70,000</u>	-
Net increase/(decrease) in cash and cash equivalents held	26,043	(13,339)
Cash and cash equivalents at beginning of year	<u>95,873</u>	109,212
Cash and cash equivalents at end of financial year	5 <u><u>121,916</u></u>	<u><u>95,873</u></u>

The accompanying notes form part of these financial statements.

## The Slavic Gospel Association Inc

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### Notes to the Financial Statements For the Year Ended 31 December 2017

The financial statements cover The Slavic Gospel Association Inc as an individual entity. The Slavic Gospel Association Inc is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The principal activities of the Association for the year ended 31 December 2017 are described in the Board members' report, which is not part of the financial statements.

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 the Committee of Management, 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 Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the 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* and AASB 1054 *Australian Additional Disclosures*.

#### 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 revenue

Interest is recognised when received.

##### Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2017**

### **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.

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.

#### **(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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis or diminishing balance value over the assets useful life to the Association, commencing when the asset is ready for use. as follows:

Buildings	40 years
Office equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

#### **(e) 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.

#### **(f) Trade and other payables**

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their 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.

#### **(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.



## The Slavic Gospel Association Inc

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### Notes to the Financial Statements

For the Year Ended 31 December 2017

#### 3 Critical Accounting Estimates and Judgments

The directors 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 - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### 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.

#### 4 Revenue

	2017	2016
	\$	\$
Sales revenue		
Interest	3,926	4,033
Donations - designated	308,168	460,481
Donations - undesignated	72,506	39,031
Other income	-	660
<b>Total Revenue</b>	<b>384,600</b>	<b>504,205</b>

#### 5 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash on hand	100	100
Cash at bank	64,312	39,851
Deposits at call	57,504	55,922
	<b>121,916</b>	<b>95,873</b>

## The Slavic Gospel Association Inc

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### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 6 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
ATO refund	-	1,693
BAS receivable	567	1,068
<b>Total current trade and other receivables</b>	<b>567</b>	<b>2,761</b>

#### 7 Property, plant and equipment

	2017	2016
	\$	\$
Property		
At independent valuation	379,722	379,722
Land - at cost	55,000	55,000
<b>Total property</b>	<b>434,722</b>	<b>434,722</b>
Buildings		
At cost	77,636	77,636
Accumulated depreciation	(34,298)	(32,358)
<b>Total buildings</b>	<b>43,338</b>	<b>45,278</b>
Office equipment		
At cost	3,934	3,934
Accumulated depreciation	(2,848)	(2,577)
<b>Total office equipment</b>	<b>1,086</b>	<b>1,357</b>
<b>Total property, plant and equipment</b>	<b>479,146</b>	<b>481,357</b>

#### 8 Trade and Other Payables

	2017	2016
	\$	\$
Current		
Accrued audit fees	5,857	3,499
PAYG payable	6,636	2,486
	<b>12,493</b>	<b>5,985</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## The Slavic Gospel Association Inc

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### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 9 Employee Benefits

	2017	2016
	\$	\$
Current liabilities		
Annual leave	4,825	5,354
Long service leave	23,730	16,492
	<u>28,555</u>	<u>21,846</u>

#### 10 Other Liabilities

	2017	2016
	\$	\$
CURRENT		
Loans	160,000	90,000

Loan is unsecured, interest free and repayable on demand.

#### 11 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor rdl.accountants, for:		
- Audit of the financial statements	3,940	3,831

#### 12 Reconciliation of result for the year to cashflows from operating activities

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

	2017	2016
	\$	\$
Surplus/(deficit) after income tax net of cash from/(used in) operating activities	(59,264)	(11,086)
Non-cash flows in profit:		
Depreciation and amortisations expenses	2,212	2,280
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	2,194	(666)
- increase/(decrease) in trade and other payables	6,508	(245)
- increase/(decrease) in employee benefits	6,709	(1,254)
Cashflows from operations	<u>(41,641)</u>	<u>(10,971)</u>

#### 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.

**The Slavic Gospel Association Inc**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2017**

**14 Statutory Information**

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

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

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 2017, 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 certificate by the members of the committee.

In our opinion, the financial report presents a true and fair view, in all material respects, of the financial position of The Slavic Gospel Association Inc. as at 31 December 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements, and the *Associations Incorporation Reform Act 2012 Victoria*.

*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 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 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Slavic Gospel Association Inc. to meet the requirements of *Associations Incorporation Reform Act 2012 Victoria*. 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 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 2 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 Victoria* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines 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 Entity'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 Entity'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 Entity 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

27<sup>th</sup> February 2018  
Blackburn, Victoria

**The Slavic Gospel Association Inc**

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**Certificate by Members of Committee**

**Annual statements give true and fair view of financial performance and position of incorporated association**

We, Harry Chudasko and Ralph Hewes, being members of the Committee of the The Slavic Gospel Association Inc, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of The Slavic Gospel Association Inc during and at the end of the financial year of the association ending on 31 December 2017.

Dated 27/2/18



Harry Chudasko (Chairman)



Ralph Hewes (Treasurer)