

HONORARY AUDITOR'S REPORT

for GOSPEL HALL INC.

for the Year Ended 30 June 2020

I have reviewed the books of accounts and associated records of the Gospel Hall Inc. for the year ended 30 June 2020 and, in my opinion, the Statements of Financial Performance, Financial Position and Cash Flows, along with the associated Notes to the Financial Statements, give a true and fair view of the financial position of Gospel Hall Inc. as at 30 June, 2020.



Michael Scott

Accountant
Honorary Auditor

23/11/2020

GOSPEL HALL INCReg No A0039320C
ABN 66255 982 472**STATEMENT OF FINANCIAL POSITION**
as at 30 June 2020

	Note	<u>2020</u> \$	<u>2019</u> \$
CURRENT ASSETS			
Cash assets	4	80,679	103,345
Term Deposit	4	188,905	184,298
Receivables	5	54,981	14,592
Work in progress	6	0	0
TOTAL CURRENT ASSETS		<u>324,566</u>	<u>302,234</u>
NON-CURRENT ASSETS			
Land	7	222,000	222,000
Building	7	<u>1,316,085</u>	<u>1,373,492</u>
TOTAL NON-CURRENT ASSETS		<u>1,538,085</u>	<u>1,595,492</u>
TOTAL ASSETS		<u>1,862,651</u>	<u>1,897,726</u>
CURRENT LIABILITIES	8	37,631	35,837
TOTAL LIABILITIES		<u>37,631</u>	<u>35,837</u>
NET ASSETS		<u>1,825,019</u>	<u>1,861,889</u>
EQUITY			
Reserves		1,861,889	1,922,313
Retained Earnings		(36,872)	(60,424)
TOTAL EQUITY		<u>1,825,016</u>	<u>1,861,889</u>

GOSPEL HALL INCReg No A0039320C
ABN 66255 982 472**STATEMENT OF FINANCIAL PERFORMANCE**
for the year ended 30 June 2020

	Note	<u>2020</u> \$	<u>2019</u> \$
Revenues from ordinary activities			
Rental Income	2	77,030	81,704
USE Contribution	2	12,844	12,844
USE Income (Walks & Workshops)	2	130,282	192,709
Donations	2	0	355
Grant Income	2	9,796	7,580
Other	2	4,500	594
Govt Grants	2	81,495	
Fund Raising	2	360	
Revenue (incl donations & grants)		<u>316,306</u>	<u>295,786</u>
Interest	2	4,674	4,771
Total revenues from ordinary activities		<u>320,981</u>	<u>300,556</u>
Expenses from ordinary activities			
Housing Choice Australia Fees	3	75,091	66,646
GHI Expenses	3	5,490	4,850

USE Expenses	3	219,865	232,078
Depreciation of non-current assets	3	57,407	57,407
Total expenses from ordinary activities		357,853	360,980
Surplus/(deficit) from ordinary activities		(36,872)	(60,424)

GOSPEL HALL INC

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria.

The financial report is for the entity Gospel Hall Incorporated as an individual entity. Gospel Hall Incorporated is incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historic costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

Revenue is recognised upon the accruals basis, and is stated net of the amount of goods and services tax (GST).

(b) Fixed Assets

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the to the acquisition.

The costs of assets constructed or internally generated by the entity include the cost of materials and direct labour. Directly attributed overheads and other incidental costs are also capitalised to the asset.

Expenditure, including that on internally generated assets, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expenses as incurred.

Costs that do not meet the criteria for capitalisation are expensed as incurred.

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated or amortised on a straight line basis so as to write off the net cost of each asset over its expected useful life.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness.

The depreciation/amortisation rates used for each class of asset are as follows:

<i>Property, plant & equipment</i>	2020	2019
Buildings	2.5%	2.5%

(c) Comparative Figures

Comparative figures for the year ending 30 June 2018 have been included.

(d) Income Tax

The Association has been granted an exemption from the payment of income tax.

GOSPEL HALL INC

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NOTE 2: REVENUE

2020	2019
\$	\$

Operating activities:

- Rental Income (HCA)	36,593	44,486
- Vacant Rental charged to MCM	40,437	37,219
- Rental Income (Education Centre)	0	0
- USE Income (Walks & Workshops)	130,282	192,709
- USE Contribution	12,844	12,844
- Grant Income	9,796	7,580
- Grant - Business Vic	14,979	0
- Job Keeper Subsidy	42,000	0
- ATO Cash Flow Stimulus - Covid 19	24,516	0
- Fundraising	360	0
- Donations	0	355
- Interest	4,674	4,771
- Other	4,500	594
Total Revenue	<u>320,981</u>	<u>300,556</u>

NOTE 3: EXPENSES FROM ORDINARY ACTIVITIES

Tenancy & Property Management Fees	18,524	18,169
Essential Services (Common Area Fire / Security)	9,236	8,258
Cleaning	9,470	12,520
Electricity & Gas	5,026	4,946
Property Repairs & Maintenance	29,636	19,171
Garbage & Keys Cut	0	0
Water Rates	3,198	3,582
Sub-Total Housing Choice Australia Expenses	75,091	66,646
Consumer Affairs	0	0
Bank Charges	0	0
City of Melbourne (Fire Levy)	0	0
Professional Fees (Independent Valuer, Accounting & Audit)	0	0
Building Insurance	3,804	3,200
Accounting	1,429	1,425
Administrative Expenses (Other)	257	224
Depreciation of Non-current Assets	57,407	57,407
Sub-Total Gospel Hall Inc Expenses	<u>62,897</u>	<u>62,257</u>
Wages & Salaries	162,743	174,608
Superannuation	14,217	16,856
LSL Expense	1,202	2,295
Workcover Insurance	1,491	1,613
Gospel Hall Inc Contribution	12,844	12,844
Art Group Expenses	4,796	8,312
Cleaning	2,074	2,860
General (Utilities, Office, Maintenance)	16,302	9,900
Bad Debts	845	0
Telephone, Internet, Website	1,142	1,655
Accounting	2,209	1,135
Sub-Total USE Expenses	<u>219,865</u>	<u>232,078</u>
Total Expenses from Ordinary Activities	<u>357,853</u>	<u>360,980</u>

GOSPEL HALL INCReg No A0039320C
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\$2019
\$**NOTE 4: CASH and TERM DEPOSIT ASSETS**

Cash at bank		
- Gospel Hall Inc	72,047	47,711
- Urban Seed Education	7,773	55,479
- Debit Card (USE)	499	156
Cash on Hand	360	0
Term Deposit	188,905	184,298
	<u>269,585</u>	<u>287,643</u>

NOTE 5: RECEIVABLES

Housing Choice Australia	4,413	10,058
Accounts Receivable	39,991	2,286

Loan Account (staff)	82	
Wages Prepaid - Payroll	4,355	0
Australian Taxation Office (GST)	6,140	2,248
	<u>54,981</u>	<u>14,592</u>

NOTE 6: WORK IN PROGRESS 0 0

The Final Certificate was issued on 13 August 2004, at which point the value of the work in progress was transferred to the book value of the building.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

(a) Property - Ancient Times House		
Land	222,000	222,000
Building	2,296,266	2,296,266
Less accumulated depreciation	980,181	922,774
	<u>1,316,085</u>	<u>1,373,492</u>
Total Land and Buildings	<u>1,538,085</u>	<u>1,595,492</u>

(b) Land & Buildings were valued by an independent valuer as at 1 July, 2001

There is a mortgage on the Ancient Times House to provide security to the Department of Human Services for grants provided to cover the refurbishment of the building.

NOTE 8: CURRENT LIABILITIES

Sundry Debtors (Prepaid Revenue)	2,272	1,804
Accounts Payable	6,642	3,667
ART Grant	4,466	9,462
PAYG Withholdings Payable	10,220	7,436
Provision for Personal Leave	1,325	3,780
Provision for Annual Leave	7,098	4,643
Provision for LSL	4,083	2,880
Superannuation Payable	1,526	1,519
Unpaid Expense Claims	0	646
	<u>37,631</u>	<u>35,837</u>

NOTE 9: CONTINGENT LIABILITIES

The Department of Human Services has provided grants totalling \$894,047 (net of GST) for the refurbishment of the building. The terms of the joint agreement with the Department requires the refund of monies provided by the Department should premature termination of the agreement occur. This refund is determined according to a formula specified in the agreement.

GOSPEL HALL INC

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STATEMENT OF CASH FLOWS
for the year ended 30 June 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts in the course of operations:		
Rental & Workshop Income (inclusive of GST)	213,526	249,366
Business Vic Grant (inclusive of GST)	10,000	10,000
Job Keeper	30,000	
Donations / Fundraising	360	355
Other (US Payment for Personal Leave)		0
GST received from the Australian Tax office	3,302	12,039
Payments in the course of operations (inclusive of GST)	(249,994)	(244,296)
GST remitted to the Australian Tax office	(29,926)	(34,066)
Interest Received	4,674	4,771
Net cash provided by operating activities	<u>(18,058)</u>	<u>(1,832)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property refurbishment	0	0

Net cash used for investing activities	<u>0</u>		<u>0</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities	<u>0</u>		<u>0</u>
Net Increase/(decrease) in cash held	(18,058)		(1,832)
Cash at the beginning of the financial year	<u>287,642</u>		<u>289,474</u>
Cash at the end of the financial year	<u>269,584</u>		<u>287,642</u>
Reconciliation of net profit to net cash provided by operating activities:			
Net surplus/(deficit)	(36,872)		(60,424)
Add/(subtract) the following transactions:			
Depreciation	57,407		57,407
Goods and Services Tax (GST)	(3,892)		10,649
Movement in Operating Assets and Liabilities			
Increase/Decrease in Receivables	(36,495)		(5,971)
Increase/Decrease in Liabilities	1,794	2	(3,492)
Net cash provided by operating activities	<u>(18,058)</u>		<u>(1,832)</u>

GOSPEL HALL INC**DEPRECIATION SCHEDULE FOR BUILDING**

Depreciated over 40 years

Year	Historic Cost	Depreciation	Accumulated Depreciation	Building less Depreciation
2002	878,000	21,950	21,950	856,050
2003	878,000	21,950	43,900	834,100
2004	878,000	21,950	65,850	812,150
2005*	2,296,266	53,230	119,080	2,177,186
2006	2,296,266	57,407	176,486	2,119,780
2007	2,296,266	57,407	233,893	2,062,373
2008	2,296,266	57,407	291,300	2,004,966
2009	2,296,266	57,407	348,706	1,947,560
2010	2,296,266	57,407	406,113	1,890,153
2011	2,296,266	57,407	463,519	1,832,747
2012	2,296,266	57,407	520,926	1,775,340
2013	2,296,266	57,407	578,333	1,717,933
2014	2,296,266	57,407	635,739	1,660,527
2015	2,296,266	57,407	693,146	1,603,120
2016	2,296,266	57,407	750,553	1,545,713
2017	2,296,266	57,407	807,959	1,488,307
2018	2,296,266	57,407	865,366	1,430,900
2019	2,296,266	57,407	922,773	1,373,493
2020	2,296,266	57,407	980,179	1,316,087

*Works in Progress \$1,418,266 added to book value of building on 13 August 2004.
Depreciation on former WIP for 322 days = \$31,280 plus depreciation on original building = \$21,950 = \$53,230.

Gospel Hall Trust

*Gospel Hall Incorporated
Central House, 174 Collins Street,
Melbourne, Victoria. 3000*

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*Reg No A0039320C
ABN 66255 982 472*

24 November 2020

Financial Declaration for Responsible Person

per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Responsible Person declares that in her opinion:

- (a) there are reasonable grounds to believe that the registered entity [Gospel Hall Incorporated] is able to pay all of its debts, as and when they become due and payable; and
- (b) 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*.



Stefanie C Pearce
Secretary, Gospel Hall Inc.

Dated this 24th day of November 2020