

SPIRITUAL HEALTH ASSOCIATION LIMITED

Financial Statements
For the year ended 30 June 2020

R. J. Sanderson & Associates Pty Ltd

Head Office
60 Robinson Street
Dandenong 3175

Phone: 03 9794 0010 Fax: 03 9794 0221

Spiritual Health Association Ltd

Declaration

The Board has determined that the entity is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board declares that:

1. The financial statements and notes present fairly the entity's financial position as at 30th June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the Board's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed by the Chair of the Board

DocuSigned by:
Luke Bowen
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Signed by the Chief Executive Officer

DocuSigned by:
Cheryl Holmes
8051640187B4420...

Dated 18/9/2020

Independent audit report

To the members of Spiritual Health Association Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Spiritual Health Association Ltd. which comprises the Detailed Balance Sheet as at 30th June 2020, the Detailed Profit and Loss Account for the year then ended, and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information

Committee of Management responsibility for the financial report

The members of the Committee of Management are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the relevant Incorporated Associations Acts and the needs of the members. The Committee of Management's responsibility also includes such internal control as the members of the Committee of Management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Electronic publication of the audited financial report

It is our understanding that the Spiritual Health Association Ltd. intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Spiritual Health Association Ltd. website is that of those charged with governance of Spiritual Health Association Ltd. The security and controls over information on the website should be addressed by the Spiritual Health Association Ltd. to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report on Spiritual Health Association Ltd. website is beyond the scope of the audit of the financial report.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Spiritual Health Association Ltd. as at 30th June 2020 and of its financial performance and its cash flows for the year then ended on that date and complies with Australian Accounting Standards to the extent described in Note 1.

Basis of accounting

Without modifying our opinion, 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 Committee of Management reporting responsibilities. As a result, the financial report may not be suitable for another purpose.



R J Sanderson & Associates Pty Ltd

Certified Practising Accountant

18th August 2020

40 Robinson Street
Dandenong Vic 3175

SPIRITUAL HEALTH ASSOCIATION LIMITED**Detailed Profit and Loss Statement****For the year ended 30 June 2020****2020****\$****Income**

Government stimulus	57,461
Interest received	12,592
Grants received	1,353,562
Research projects	11,755
Service fees	442
Conference income	8,704
Memorial services IPILRD	39,286
Other income	127
Total income	<u>1,483,929</u>

Expenses

Administration costs	5,717
Audit fees	4,936
Bank fees & charges	431
Cleaning & rubbish removal	2,475
Conference/seminar costs	8,912
Computer costs	16,462
Communication expense	19,790
Consultant fees	6,599
Depreciation - leasehold improvements	3,420
Depreciation - office equipment	2,471
Depreciation - computer equipment	6,047
Depreciation - right of use asset	56,509
Faith community disbursements	648,482
Insurance & workcover	7,180
Interest charges - right of use asset	779
Light & power	1,596
Memorial services IPILRD	26,597
Office occupancy costs	1,776
Printing & stationery	2,827
Project costs - other	31,319
Provision for annual leave	2,561
Provision for long service leave	6,489

These financial statements are audited. They must be read in conjunction with the attached Auditors Report and Notes which form part of these financial statements.

SPIRITUAL HEALTH ASSOCIATION LIMITED
Detailed Profit and Loss Statement
For the year ended 30 June 2020

	2020
	\$
Repairs & maintenance	282
Salaries	456,439
Staff training & reference material	23,401
Superannuation	42,949
Telephone	11,450
Travel, accommodation & conference	1,609
Website expenditure	10,916
Total expenses	<u>1,410,422</u>
Profit from Ordinary Activities	<u><u>73,507</u></u>

These financial statements are audited. They must be read in conjunction with the attached Auditors Report and Notes which form part of these financial statements.

SPIRITUAL HEALTH ASSOCIATION LIMITED**Detailed Balance Sheet as at 30 June 2020**

	Note	2020 \$
Current Assets		
Cash Assets		
Cash at bank		21,136
Cash at bank - UCA CMA		482,545
		<u>503,681</u>
Receivables		
Trade debtors		161,202
Accrued income receivable		5,205
Sundry debtors		1,528
		<u>167,936</u>
Other		
Prepayments - rent		4,774
Bond on premises		13,211
Prepayments		6,880
		<u>24,865</u>
Total Current Assets		<u>696,482</u>
Non-Current Assets		
Property, Plant and Equipment		
Right of use - leased assets		56,509
Less: Accumulated amortization		(56,509)
Leasehold improvements		3,420
Less: Accumulated depreciation		(3,420)
Plant & equipment (cost)		2,471
Less: Accumulated depreciation		(2,471)
Other assets		16,596
Less: Accumulated depreciation		(6,047)
		<u>10,549</u>
Total Non-Current Assets		<u>10,549</u>

These financial statements are audited. They must be read in conjunction with the attached Auditors Report and Notes which form part of these financial statements.

SPIRITUAL HEALTH ASSOCIATION LIMITED
Detailed Balance Sheet as at 30 June 2020

	Note	2020 \$
Total Assets		707,031
 Current Liabilities		
Payables		
Unsecured:		
Trade creditors		37,626
Projects in progress		18,122
Superannuation liability		5,185
Accrued expenses		29,088
Credit card		1,702
		91,723
 Current Tax Liabilities		
GST payable control account		14,652
Input tax credit control account		(3,411)
		11,241
 Provisions		
Provision for annual leave		40,008
		40,008
Total Current Liabilities		142,971
 Non-Current Liabilities		
Provisions		
Provision for long service leave		44,240
		44,240
Total Non-Current Liabilities		44,240
Total Liabilities		187,212
Net Assets		519,819

These financial statements are audited. They must be read in conjunction with the attached Auditors Report and Notes which form part of these financial statements.

SPIRITUAL HEALTH ASSOCIATION LIMITED**Detailed Balance Sheet as at 30 June 2020**

	Note	2020
		\$
<hr/>		
Services' Equity		
Issued Capital		
Equity transfer from old association		446,312
Profit for year		<u>73,507</u>
Total Services' Equity		<u><u>519,819</u></u>

These financial statements are audited. They must be read in conjunction with the attached Auditors Report and Notes which form part of these financial statements.

SPIRITUAL HEALTH ASSOCIATION LIMITED**Statement of Cash Flows****For the year ended 30 June 2020****2020****\$****Cash Flow From Operating Activities**

Receipts from customers	1,303,401
Payments to Suppliers and employees	(1,235,358)
Interest received	12,592
Interest and other costs of finance	(779)
Net cash provided by (used in) operating activities (note 2)	<u>79,856</u>

Cash Flow From Investing Activities**Payment for:**

Payments for property, plant and equipment	<u>(22,487)</u>
Net cash provided by (used in) investing activities	<u>(22,487)</u>

Cash Flow From Financing Activities

Transfer of equity from old Association	<u>446,312</u>
Net cash provided by (used in) financing activities	<u>446,312</u>

Net increase (decrease) in cash held	503,681
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Cash at the beginning of the year	
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Cash at the end of the year (note 1)	<u><u>503,681</u></u>
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SPIRITUAL HEALTH ASSOCIATION LIMITED**Statement of Cash Flows****For the year ended 30 June 2020****2020****Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	21,136
Cash at bank - UCA CMA	482,545
	<u>503,681</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit	73,507
Depreciation	11,938
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:	
(Increase) decrease in trade and term debtors	(167,936)
(Increase) decrease in prepayments	(24,865)
Increase (decrease) in trade creditors and accruals	90,021
Increase (decrease) in other creditors	1,702
Increase (decrease) in employee entitlements	84,248
Increase (decrease) in sundry provisions	11,241
Net cash provided by operating activities	<u>79,856</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached auditors report.

Spiritual Health Association Ltd.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 3: Summary of Significant Accounting Policies

On 1st July 2019 the Service transferred from an Association to a company limited by guarantee. As a result of this alteration to the operating structure, no comparative figures have been included in these financial statements.

This financial report is a special purpose financial report prepared in order to satisfy the requirements of Spiritual Health Association Ltd. to prepare a financial report. The entity has determined that the entity is not a reporting entity. The financial report has been prepared in accordance with applicable Australian Accounting Standards and the relevant Incorporated Associations Acts.

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are included at cost, independent of the Services' valuation. All assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the entity.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Provisions

Provisions are recognised when the Service has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

Spiritual Health Association Ltd.
Notes to the Financial Statements
For the year ended 30 June 2020

(f) Accounting for Leases – AASB 16

The mandatory application and implementation of Accounting Standard AASB 16 has caused the following alterations to the presentation of the financial accounts.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Service are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Going Concern – ASA 570

The Accounting standard ASA570 requires the auditor to assess the appropriateness of management's going concern assumption for the relevant period for a period of at least twelve months from the date of the financial statements.

After due investigation and supply of evidence, it has been established, that in the absence of any subsequent abnormal event, the Service passes the going concern criteria.

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2020 there has been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit

R J Sanderson & Associates Pty Ltd
Graeme Delany, CPA
60 Robinsons Rd Dandenong Vic

A handwritten signature in black ink, appearing to read 'Delany', with a stylized flourish at the end.

R J Sanderson & Associates Pty Ltd
18th August 2020