

# **NewHope Custodian Inc.**

**A0055295Z**

## **Financial Statements**

**For the Year Ended 31 December 2020**

**NewHope Custodian Inc.**

A0055295Z

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**For the Year Ended 31 December 2020**

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**NewHope Custodian Inc.**

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**Committee's Report**

**31 December 2020**

The committee members submit the financial report of the Association for the financial year ended 31 December 2020.

**Principal activities**

The principal activities of the Association during the financial year consisted of fundraising and provision of financial support for the activities of multiple gift recipient funds

**Auditor's Independence declaration**

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2020 has been received and can be found on page 10 of the financial report.

Signed in accordance with a resolution of the Members of the Committee:

Committee member: .....  
*Andrew P. Gale*  
Andrew Gale

Committee member: .....  
*Surette Southwood*  
Surette Southwood

Dated *17<sup>th</sup> of MAY 2021*

**NewHope Custodian Inc.**

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**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2020**

		Consolidated		NewHope Baptist Church Tax Deductible Fund	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue	4	596,586	752,901	593,812	752,898
<b>Expenses</b>					
Distributions to deductible gift recipients		(446,265)	(482,285)	(511,265)	(547,285)
School building fund expenditure		(65,000)	(61,433)	-	-
Administration		(22,255)	(22,569)	(17,255)	(17,569)
<b>Total expenses</b>		<b>(533,520)</b>	<b>(566,287)</b>	<b>(528,520)</b>	<b>(564,854)</b>
<b>Profit before income tax</b>		<b>63,066</b>	<b>186,614</b>	<b>65,292</b>	<b>188,044</b>
Income tax expense		-	-	-	-
<b>Profit for the year</b>		<b>63,066</b>	<b>186,614</b>	<b>65,292</b>	<b>188,044</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Total comprehensive income for the year</b>		<b>63,066</b>	<b>186,614</b>	<b>65,292</b>	<b>188,044</b>
Total comprehensive income attributable to:					
Members of the parent entity		63,066	186,614	65,292	188,044

The accompanying notes form part of these financial statements.

**NewHope Custodian Inc.**

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**Statement of Financial Position**

**As At 31 December 2020**

	Note	Consolidated		NewHope Baptist Church Tax Deductible Fund	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	<b>351,959</b>	288,687	<b>350,741</b>	285,244
Trade and other receivables	6	<b>33</b>	24	<b>33</b>	24
<b>TOTAL CURRENT ASSETS</b>		<b>351,992</b>	288,711	<b>350,774</b>	285,268
<b>NON-CURRENT ASSETS</b>					
<b>TOTAL ASSETS</b>		<b>351,992</b>	288,711	<b>350,774</b>	285,268
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		<b>2,320</b>	2,151	<b>2,319</b>	2,151
Other liabilities		<b>46</b>	-	<b>46</b>	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,366</b>	2,151	<b>2,365</b>	2,151
<b>NON-CURRENT LIABILITIES</b>					
<b>TOTAL LIABILITIES</b>		<b>2,366</b>	2,151	<b>2,365</b>	2,151
<b>NET ASSETS</b>		<b>349,626</b>	286,560	<b>348,409</b>	283,117
<b>MEMBERS' FUNDS</b>					
Retained profits		<b>349,626</b>	286,560	<b>348,409</b>	283,117
<b>TOTAL MEMBERS' FUNDS</b>		<b>349,626</b>	286,560	<b>348,409</b>	283,117

The accompanying notes form part of these financial statements.

**NewHope Custodian Inc.**

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**Statement of Changes in Equity  
For the Year Ended 31 December 2020**

2020

	<b>Consolidated</b>	
	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2020</b>	<b>286,560</b>	<b>286,560</b>
Surplus after income tax expense for the year	<b>63,066</b>	<b>63,066</b>
<b>Balance at 31 December 2020</b>	<b>349,626</b>	<b>349,626</b>

2019

	<b>Consolidated</b>	
	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2019</b>	99,946	99,946
Surplus after income tax expense for the year	186,614	186,614
<b>Balance at 31 December 2019</b>	<b>286,560</b>	<b>286,560</b>

2020

	<b>NewHope Baptist Church Tax Deductible Fund</b>	
	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2020</b>	<b>283,117</b>	<b>283,117</b>
Surplus after income tax expense for the year	<b>65,292</b>	<b>65,292</b>
<b>Balance at 31 December 2020</b>	<b>348,409</b>	<b>348,409</b>

2019

	<b>NewHope Baptist Church Tax Deductible Fund</b>	
	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2019</b>	95,073	95,073
Surplus after income tax expense for the year	188,044	188,044
<b>Balance at 31 December 2019</b>	<b>283,117</b>	<b>283,117</b>

The accompanying notes form part of these financial statements.

## NewHope Custodian Inc.

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### Statement of Cash Flows For the Year Ended 31 December 2020

	Note	Consolidated		NewHope Baptist Church Tax Deductible Fund	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from donors		557,649	753,051	593,803	753,047
Payments to suppliers and employees		(494,377)	(570,837)	(528,306)	(569,402)
Net cash provided by/(used in) operating activities		<u>63,272</u>	<u>182,214</u>	<u>65,497</u>	<u>183,645</u>
Net increase/(decrease) in cash and cash equivalents held		63,272	182,214	65,497	183,645
Cash and cash equivalents at beginning of year		<u>288,687</u>	<u>106,473</u>	<u>285,244</u>	<u>101,599</u>
Cash and cash equivalents at end of financial year	5	<u><u>351,959</u></u>	<u><u>288,687</u></u>	<u><u>350,741</u></u>	<u><u>285,244</u></u>

The accompanying notes form part of these financial statements.

## NewHope Custodian Inc.

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# Notes to the Financial Statements

## For the Year Ended 31 December 2020

The financial statements cover NewHope Custodian Inc. and its controlled entities ('the Group'). NewHope Custodian Inc. is a not-for-profit Association incorporated and domiciled in Victoria under the *Association Incorporation Reform Act 2012*.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

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 *Public Ancillary Fund Guidelines 2011* and the *Australian Charities and Not-for-profits Commission Act 2012*.

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*, 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 these special purpose financial statements are set out in Note 2.

The Association has not assessed how its significant accounting policies differ from the recognition and measurement requirements contained in the Australian Accounting Standards that do not apply to it.

### 2 Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of all subsidiaries of NewHope Custodian Inc. ('association' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. NewHope Custodian Inc. and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

## NewHope Custodian Inc.

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# Notes to the Financial Statements

## For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The following entities are subsidiaries of the association:

NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430  
NewHope Baptist Church School Building Fund ABN 15 482 454 134  
NewHope Baptist Church Religious Education in Government Schools Fund ABN 70 213 291 170

#### *ACNC Group*

The NewHope Baptist Church ACNC group consists of the following funds:

NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430  
NewHope Baptist Church School Building Fund ABN 15 482 454 134  
NewHope Baptist Church Religious Education in Government Schools Fund ABN 70 213 291 170

NewHope Custodian Inc. is the trustee of each of these funds. It does not conduct any activities in its own right and so the consolidated financial statements represent the activities of the above entities only.

#### (b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (c) 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 Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

##### **Interest revenue**

Interest is recognised when received.

##### **Donations**

Donations are recognised when received.

#### (d) 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 2 Summary of Significant Accounting Policies

##### (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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

##### (f) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

#### 3 Critical Accounting Estimates and Judgments

The committee members may make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. No estimates or judgements have been made in the preparation of these financial statements.

#### 4 Revenue

	Consolidated		NewHope Baptist Church Tax Deductible Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
Interest	190	273	187	270
Donations	596,396	752,628	593,625	752,628
	<b>596,586</b>	<b>752,901</b>	<b>593,812</b>	<b>752,898</b>

#### 5 Cash and Cash Equivalents

	Consolidated		NewHope Baptist Church Tax Deductible Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at bank and in hand	351,959	288,687	350,741	285,244
	<b>351,959</b>	<b>288,687</b>	<b>350,741</b>	<b>285,244</b>

#### 6 Trade and Other Receivables

	Consolidated		NewHope Baptist Church Tax Deductible Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Trade receivables	33	24	33	24
	<b>33</b>	<b>24</b>	<b>33</b>	<b>24</b>

## **NewHope Custodian Inc.**

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# **Notes to the Financial Statements**

## **For the Year Ended 31 December 2020**

### **7 Contingencies**

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2020 (31 December 2019:None).

### **8 Support of NewHope Baptist Church**

NewHope Custodian Inc. and its subsidiaries are ministries of NewHope Baptist Church. Should the fund have insufficient resources to pay debts as and when they call due, the church is committed to providing the necessary funds to ensure that NewHope Custodian Inc. and its subsidiaries remain going concerns.

### **9 Events after the end of the Reporting Period**

The financial report was authorised for issue on 17 May 2021 by the Committee of Management.

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

### **10 COVID-19**

The COVID-19 pandemic has resulted in substantial measures instigated by Government in order to limit the spread of the virus. These measures have had a significant impact on the Australian economy and are likely to do so for some time to come. At this stage it is impossible to accurately estimate the financial effect that the COVID-19 virus and associated measures will have on the entity. The committee of management consider that the entity has sufficient financial resources to enable it to continue to operate for the coming year, and as a result, these financial statements have been prepared on a going concern basis..

### **11 Statutory Information**

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

NewHope Custodian Inc.  
3 Springfield Road  
Blackburn North VIC 3130

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE MEMBERS OF NEWHOPE BAPTIST CHURCH TAX DEDUCTIBLE FUND

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 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

19 May 2021  
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE BAPTIST CHURCH TAX DEDUCTIBLE FUND

**Report on the Financial Report**

*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Baptist Church Tax Deductible Fund (the Fund), which comprises the Committee's report, the statement of financial position as at 31 December 2020, 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 statement 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 NewHope Baptist Church Tax Deductible Fund as at 31 December 2020 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements, the *Public Ancillary Fund Guidelines 2011* and the *Australian Charities and Not-for-profits Commission Act 2012*.

*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 fund 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 for the purpose of fulfilling the committee members' financial reporting responsibilities under the *Public Ancillary Fund Guidelines 2011* and 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 basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Public Ancillary Fund Guidelines 2011* and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 fund'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 fund or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibility*

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.

## **Report on Other Legal and Regulatory Requirements**

### *Conclusion*

We have audited the compliance of NewHope Baptist Church Tax Deductible Fund. In our opinion, NewHope Baptist Church Tax Deductible Fund has complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2011* for the year ended 31 December 2020.

### *Respective Responsibilities*

The committee members of the association are responsible for compliance with the requirements of the *Public Ancillary Fund Guidelines 2011*.

Our responsibility is to express a conclusion on compliance with the requirements of the *Public Ancillary Fund Guidelines*, in all material respects. Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements to provide reasonable assurance that the NewHope Baptist Church Tax Deductible Fund has complied with the requirements.

### *Use of Report*

This compliance audit report has been prepared for the Committee members of the association in accordance with the requirements of the *Public Ancillary Fund Guidelines 2011*. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Committee members of the association or for any purpose other than that for which it is prepared.

### *Inherent Limitations*

Because of the inherent limitations of any evidence gathering procedures and limitations in the entity's internal control framework, it is possible that fraud, error and non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements as an audit is not performed continuously throughout the year and the audit procedures performed in respect of compliance with the requirements are undertaken on a test basis. The audit conclusion expressed in this report has been formed on the above basis.



Matthew Hung, CA  
rdl.accountants

19 May 2021  
Blackburn, Victoria

**NewHope Custodian Inc.**

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**Certificate by Members of Committee**

In the committee members' opinion:

- the association and consolidated entity are not reporting entities because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Public Ancillary Fund Guidelines 2011* and the *Australian Charities and Not-for-profits Commission Act 2012*;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On behalf of the committee members

Dated 17 MAY 2021



.....  
Andrew Gale (Committee Member)



.....  
Surette Southwood (Committee Member)