

NewHope Baptist Church

Financial Statements

For the Year Ended 31 December 2020

NewHope Baptist Church

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For the Year Ended 31 December 2020

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NewHope Baptist Church

Councillors' Report

31 December 2020

The Church Council presents their report, together with the financial statements of the Group, being the Church and its controlled entities, for the financial year ended 31 December 2020.

General information

Church Council Members

The names of the Church Council members in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Murray Baird		Appointed November 2020
Amanda Carruthers	Church Secretary	
Allan Demond	Senior Pastor - ex officio	
Tristan Ellett		
Andrew Gale	Finance Director	
Darryn Hockley		Appointed November 2020
Chris Meyers	Chairperson	
Liza Somers		
Surette Southwood	Executive Pastor – ex officio	

And on a rotating basis a member of the NewHope Leadership Team:

Lance Blythe
Danny Hunt
Katrina Lambert

Principal activities

NewHope's 5 Life-Giving Relationship Circles focus our attention on key relationships that serve God's wonderful purposes for our world.

As **individuals** we can have a relationship with Jesus that is personally transforming and empowering. As we allow Jesus to apprentice us and connect us together, we become influencers – like salt and light and leaven – lead by the Spirit to impact and transform **society** itself. We live by faith, labouring towards a new heaven & earth.

The **familial**, **vocational** and **communal** circles help us see the opportunities for mutual care, faith formation, and bold witness in these diverse contexts. We will advance God's mission together by forming '**Communities of Hope**' in our families and with other believers; becoming '**Agents of Hope**' in our workplaces and schools, and through the visible long-term witness of a '**Place of Hope**' (our local commons in Blackburn North) where we have put down roots and built up services as a visible expression of Jesus' body in the world.

The Life-Giving Relationship Circles help our members and supporters to envision countless **Dynamic Pathways** where people connect, hospitality occurs, divine love is shared, mercy is experienced and God's mission is advanced. Thinking in this way we are intentional and obedient to God's invitation. The circles also help us focus and align our collaborative ministry efforts, social enterprises, training initiatives and program dollars so we make the greatest possible difference.

Pathways are **dynamic**, not linear. We participate in different ways and to different levels of engagement in each of the 5 circles. Clearly, the Individual Circle is the key to all the others.

NewHope Baptist Church

Councillors' Report

31 December 2020

General information

Principal activities

We have identified the simple **outcomes** we are working towards together, the core **commitments** required of us all and the **postures** that we must take to serve personal and societal transformation.

God's mission is **relationally energised**. This is how our behaviours and beliefs are formed, not so much through programs and processes as through life-giving relationships. It is about 'being with', 'becoming', and 'loving'.

Our activities were centred on the achievement of our vision.

Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Operating results for the year

The consolidated profit of the Group amounted to \$ 692,445 (2019: \$ 1,673,485).

Events after the reporting date

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

Signed in accordance with a resolution of the Church Council:

Council Member:
Andrew P. Gale
Andrew Gale

Council Member:
Surette Southwood
Surette Southwood

Dated this *17th* day of *MAY* 2021

NewHope Baptist Church

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

	Note	2020 \$	2019 \$
Revenue			
Revenue	4	3,510,230	3,385,382
Other income		-	1,404,368
Total revenue		3,510,230	4,789,750
Expenses			
NewHope Local expenses		(2,475,116)	(2,692,090)
NewHope Global expenses		(86,313)	(94,409)
Soccer Club expenses		(43,391)	(119,639)
Cafe Fund expenses		(147,965)	(148,694)
Building Fund expenses		(65,000)	(61,433)
Total expenses		(2,817,785)	(3,116,265)
Profit for the year		692,445	1,673,485
Other comprehensive income, net of income tax			
Total comprehensive income for the year		692,445	1,673,485

The accompanying notes form part of these financial statements.

NewHope Baptist Church

Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	658,916	452,316
Trade and other receivables	6	182,041	93,330
Inventories	7	2,758	3,410
TOTAL CURRENT ASSETS		843,715	549,056
NON-CURRENT ASSETS			
Loans and advances	8	369,166	-
Property, plant and equipment	9	13,334,854	13,335,151
TOTAL NON-CURRENT ASSETS		13,704,020	13,335,151
TOTAL ASSETS		14,547,735	13,884,207
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	182,140	72,103
Borrowings	11	270,910	317,909
Employee benefits	12	235,534	210,743
TOTAL CURRENT LIABILITIES		688,584	600,755
NON-CURRENT LIABILITIES			
Borrowings	11	2,331,830	2,468,281
Employee benefits	12	43,925	24,220
TOTAL NON-CURRENT LIABILITIES		2,375,755	2,492,501
TOTAL LIABILITIES		3,064,339	3,093,256
NET ASSETS		11,483,396	10,790,951
EQUITY			
Reserves	13	160,621	30,005
Retained earnings	14	11,322,775	10,760,946
TOTAL EQUITY		11,483,396	10,790,951

The accompanying notes form part of these financial statements.

NewHope Baptist Church

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

2020

	Vision Contingency Plan Reserve	Studio Reserve	70th Anniversary Reserve	COVID Safe Contingency Plan Reserve	Property Capital Equipment Reserve	Production Reserve	Seeds of Hope Reserve	Youth AUSLAN Reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2020	-	-	-	-	-	-	29,384	621	10,760,946	10,790,951
Profit attributable to members of the parent entity	-	-	-	-	-	-	-	-	692,445	692,445
Transactions with owners in their capacity as owners										
Transfers to/(from) reserves	20,000	60,000	10,000	30,000	20,000	20,000	(29,384)	-	(130,616)	-
Balance at 31 December 2020	20,000	60,000	10,000	30,000	20,000	20,000	-	621	11,322,775	11,483,396

2019

	Seeds of Hope Budget 2019 Reserve	Seeds of Hope Budget 2020 Reserve	Youth AUSLAN Reserve	Retained earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2019	23,739	5,645	621	9,087,461	9,117,466
Profit attributable to members of the parent entity	-	-	-	1,673,485	1,673,485
Transactions with owners in their capacity as owners					
Balance at 31 December 2019	23,739	5,645	621	10,760,946	10,790,951

The accompanying notes form part of these financial statements.

NewHope Baptist Church

Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from donors		3,480,314	3,340,507
Payments to suppliers and employees		(2,560,937)	(2,913,923)
Interest paid		(91,665)	(159,277)
Net cash provided by/(used in) operating activities	18	<u>827,712</u>	<u>267,307</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of properties		-	1,703,358
Purchase of property, plant and equipment		(68,496)	(40,065)
Loans to related parties - payments made		(369,166)	-
Loans from related parties - proceeds		369,166	-
Net cash provided by/(used in) investing activities		<u>(68,496)</u>	<u>1,663,293</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(552,616)	(1,703,754)
Net cash provided by/(used in) financing activities		<u>(552,616)</u>	<u>(1,703,754)</u>
Net increase/(decrease) in cash and cash equivalents held		206,600	226,846
Cash and cash equivalents at beginning of year		<u>452,316</u>	<u>225,470</u>
Cash and cash equivalents at end of financial year	5	<u><u>658,916</u></u>	<u><u>452,316</u></u>

The accompanying notes form part of these financial statements.

NewHope Baptist Church

Notes to the Financial Statements

For the Year Ended 31 December 2020

NewHope Baptist Church is a not-for-profit Church, registered and domiciled in Australia. The financial report covers NewHope Baptist Church and its controlled entities ('the Group'):

- (1) NewHope Baptist Church ABN 76 994 595 338;
- (2) NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430;
- (3) NewHope Baptist Church School Building Fund ABN 15 482 454 134;
- (4) NewHope Baptist Church Religious Education in Government Schools Fund ABN 70 213 291 170;
- (5) Blackburn North Baptist Soccer Club; and
- (6) NewHope Custodian Inc (A0055295Z)

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 Church Council the Church 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 church constitution.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Church is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. NewHope Baptist Church is registered with the Australian Charities and Not-for-profits Commission (ACNC). The following funds have deductibility gift recipient status:

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

(b) Leases

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

(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.

Revenue from offerings and donations are recognised on receipt.

Interest revenue is recognised when received.

Other revenue is recognised when the right to receive the revenue has been established.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(c) Revenue and other income

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

(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.

(e) 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.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment are depreciated on a straight-line basis over the assets useful life to the Group (3-15 years), commencing when the asset is ready for use. Buildings and freehold land are not depreciated.

The Church Council reviews the written down value of assets annually on a class by class basis to ensure that they are not recorded above their recoverable amount. Only assets with a purchase price exceeding \$500 are capitalised. Assets purchased on corporate credit cards are not capitalised.

(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.

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

(g) Employee benefits

Provision is made for the Group'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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Church to the Baptist Union of Victoria for long service leave entitlements of pastoral staff and are charged as expenses as incurred. A provision for long service leave entitlements of non pastoral staff is recognised in accordance with AASB 119 employee benefits.

3 Critical Accounting Estimates and Judgments

The Church Council 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 councillors assess impairment at the end of each reporting period by evaluating conditions specific to the Group 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.

Key estimates - employee benefits

As described in the accounting policies, employee benefits are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

4 Revenue

	2020	2019
	\$	\$
- NewHope Local income	3,120,411	2,796,295
- NewHope Global income	94,912	105,439
- Soccer Club income	35,390	114,013
- Cafe Fund income	191,815	234,307
- Building Fund income	67,702	135,328
	3,510,230	3,385,382

NewHope Baptist Church

Notes to the Financial Statements For the Year Ended 31 December 2020

In Cafe fund income, there is \$5,833 (2019: \$22,285) of income that is earned from providing catering services to various ministries in the church. Similarly there is \$5,833 (2019:\$22,285) of expenses that is incurred in NewHope Local expenses. These inter-fund transactions have not been eliminated in the preparation of these financial statements.

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	658,916	452,316
	<u>658,916</u>	<u>452,316</u>

6 Trade and Other Receivables

	2020	2019
	\$	\$
Current		
Trade receivables	178,673	92,580
Prepayments	2,618	-
Deposits	750	750
	<u>182,041</u>	<u>93,330</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Inventories

	2020	2019
	\$	\$
Current		
At cost:		
Inventories	2,758	3,410
	<u>2,758</u>	<u>3,410</u>

8 Loans and Advances

	2020	2019
	\$	\$
Non-current		
Loans to related parties	369,166	-
	<u>369,166</u>	<u>-</u>

NewHope Baptist Church

Notes to the Financial Statements

For the Year Ended 31 December 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Land and buildings		
At cost	13,006,652	13,006,652
Total land and buildings	13,006,652	13,006,652
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	892,254	870,877
Accumulated depreciation	(564,052)	(542,378)
Total plant and equipment	328,202	328,499
Total property, plant and equipment	13,334,854	13,335,151

At the balance date, the Bendigo Bank currently held the first registered mortgage over the properties situated in Blackburn North, VIC at:

NewHope Baptist Church properties:

- 3-7 Springfield Road
- 2 Dale Court
- 5 Dale Court

10 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables and other payables	182,140	72,103
	182,140	72,103

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.

NewHope Baptist Church

Notes to the Financial Statements
For the Year Ended 31 December 2020

11 Borrowings

	2020	2019
	\$	\$
Current		
Secured liabilities:		
Bendigo loans	270,910	317,909
Total current borrowings	270,910	317,909
Non-Current		
Unsecured liabilities:		
Loan from related parties	369,166	-
	369,166	-
Secured liabilities:		
Bendigo loans	1,962,664	2,468,281
Total non-current borrowings	2,331,830	2,468,281
Total borrowings	2,602,740	2,786,190

12 Employee Benefits

	2020	2019
	\$	\$
Current		
Employee benefits	235,534	210,743
	235,534	210,743
Non-current		
Employee benefits	43,925	24,220
	43,925	24,220

13 Reserves

	2020	2019
	\$	\$
Vision Contingency Reserve		
Opening balance	-	-
Transfers in	20,000	-
	20,000	-
Studio Reserve		
Opening balance	-	-
Transfers in	60,000	-
	60,000	-
70th Anniversary Reserve		
Opening balance	-	-
Transfers in	10,000	-
	10,000	-

Notes to the Financial Statements
For the Year Ended 31 December 2020

13 Reserves

	2020	2019
	\$	\$
COVID Safe Contingency Plan Reserve		
Opening balance	-	-
Transfers in	30,000	-
	<u>30,000</u>	<u>-</u>
Property Capital Equipment Reserve		
Opening balance	-	-
Transfers in	20,000	-
	<u>20,000</u>	<u>-</u>
Production Project Reserve		
Opening balance	-	-
Transfers in	10,000	-
	<u>10,000</u>	<u>-</u>
Production Capital Equipment Reserve		
Opening balance	-	-
Transfers in	10,000	-
	<u>10,000</u>	<u>-</u>
Seeds of Hope Budget 2019 Reserve		
Opening balance	23,739	23,739
Transfers out	(23,739)	-
	<u>-</u>	<u>23,739</u>
Seeds of Hope Budget 2020 Reserve		
Opening balance	5,645	5,645
Transfers out	(5,645)	-
	<u>-</u>	<u>5,645</u>
Youth AUSLAN Reserve		
Opening balance	621	621
	<u>621</u>	<u>621</u>
Total	<u><u>160,621</u></u>	<u><u>30,005</u></u>

(a) Vision Contingency Plan Reserve

The Vision Contingency Plan Reserve relates to funds set aside from 2020 activities and process improvement expenses not achieved due the impact of COVID-19.

(b) Studio Reserve

The Studio Reserve contains funds set aside for a purpose built studio to facilitate online services and live-streaming events.

Notes to the Financial Statements

For the Year Ended 31 December 2020

13 Reserves

(c) 70th Anniversary Reserve

The 70th Anniversary Reserve contains funds set aside for the celebration of NewHope Baptist Church's 70th anniversary.

(d) COVID Safe Contingency Plan Reserve

The COVID Safe Contingency Plan Reserve contains funds set aside for anticipated expenditure in alignment with the church's COVID Safe Plan.

(e) Property Capital Equipment Reserve

The Property Capital Equipment Reserve contains funds set aside for the purchase of new equipment anticipated for 2020, but postponed to 2021.

(f) Production Project Reserve

The Production Project Reserve contains funds set aside for live-streaming projects postponed to 2021.

(g) Production Capital Equipment Reserve

The Production Capital Equipment Reserve contains funds set aside for the purchase of equipment relating to the new studio.

(h) Seeds of Hope Budget 2019 Reserve

This balance represents 1/3 of specified giving in 2017 and 2018 to the Seeds of Hope campaign. The vision for Seeds of Hope is a three year stewardship focus for a Mega Harvest and will invest in five key areas: (1) Multi-Cultural Outreach, (2) Campuses Outreach, (3) Communities of Hope, (4) Family Outreach and (5) Leadership Development.

(i) Seeds of Hope Budget 2020 Reserve

This balance represents 1/3 of specified giving in 2018 to the Seeds of Hope campaign. The vision for Seeds of Hope is a three year stewardship focus for a Mega Harvest and will invest in five key areas: (1) Multi-Cultural Outreach, (2) Campuses Outreach, (3) Communities of Hope, (4) Family Outreach and (5) Leadership Development.

(j) Youth AUSLAN Reserve

The Youth AUSLAN Reserve relates to a grant received to fund sign language translators for deaf children at Youth activities.

NewHope Baptist Church

Notes to the Financial Statements

For the Year Ended 31 December 2020

14 Retained Earnings

	2020	2019
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	10,760,946	9,087,461
Net profit attributable to members of the church	692,445	1,673,485
Transfers in	29,384	-
Transfers out	(160,000)	-
Retained earnings at end of the financial year	11,322,775	10,760,946

15 Support of NewHope Medical

NewHope Medical Ltd is a new initiative of the NewHope Baptist Church which aims to provide comprehensive care to individuals, as well as promote health, wellbeing and disease prevention. This initiative is in its early stages and it has incurred losses in its first three years. The Church Council of NewHope Baptist Church has committed to provide financial support to NewHope Medical Ltd to enable the company to continue its operations and to meet its obligations as and when they fall due, until such time that NewHope Medical Ltd is able to fund its own operations.

16 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor, rdl.accountants for:		
- auditing the financial statements	13,950	9,848
- preparation of financial statements	3,300	2,625
- other services	1,042	-
	18,292	12,473

17 Contingencies

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

NewHope Baptist Church

Notes to the Financial Statements

For the Year Ended 31 December 2020

18 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:

	2020	2019
	\$	\$
Net profit attributable to members of the church	692,445	1,673,485
Non-cash flows in profit:		
- depreciation	66,401	60,114
- write-off of capitalised expenditure	2,392	-
- net (gain)/loss on sale of properties	-	(1,404,368)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(88,711)	(44,875)
- (increase)/decrease in inventories	652	178
- increase/(decrease) in trade and other payables	110,037	(14,437)
- increase/(decrease) in employee benefits	44,496	(2,790)
Cashflows from operations	<u>827,712</u>	<u>267,307</u>

19 Events Occurring After the Reporting Date

The financial report was authorised for issue on 17 May 2021 by the church council.

NewHope Baptist Church bought 3 Dale Court, Blackburn North for \$1,190,000 at auction on 27 February 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements
For the Year Ended 31 December 2020

20 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 Church Council considers 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.

NewHope Baptist Church took its worship services online from March 2020 to November 2020 in line with government regulations. Activities at the Croydon and Surrey Hills campuses were shut down during this time. The shift to an online platform required a significant investment in equipment to enable the Church to live stream and facilitate gatherings and small groups online. The change to online services also initially saw a drop in giving, but this stabilised over the remainder of the year.

Increased cleaning regimes have resulted in significant costs, but also some savings as parts of the building were closed off to the public. The Church has also incurred costs in purchasing sanitising stations and in the implementation of COVID Safe regulations.

Staff salaries and working hours were reduced for a few months in line with the reduced income received by the church. Due to receiving the government's JobKeeper subsidy, these salaries were able to be reinstated by the end of the year.

The Middle Ground Cafe was restricted to take-away and online meals ordering for the majority of the year, only being able to open with limited seating for a few weeks during the year.

Due to the limitation on sporting activities, the entire soccer season was cancelled.

21 Statutory Information

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

NewHope Baptist Church
3 Springfield Road
BLACKBURN NORTH VIC 3130

NewHope Baptist Church

Councillors' Declaration

In the opinion of the Church Council the financial report as set out on pages 4 to 17:

1. Present fairly the financial position of NewHope Baptist Church as at 31 December 2020 and its performance for the year ended on that date in accordance with the accounting policies.
2. At the date of this statement, there are reasonable grounds to believe that NewHope Baptist Church will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Church Council and is signed for and on behalf of the Council by:

Council member *Andrew P. Gale*
Andrew Gale

Council member *Surette Southwood*
Surette Southwood

Dated this *17th* day of *MAY* 2021

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

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Baptist Church (the church), which comprises the Church Council'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 Church Council.

In our opinion, the financial report presents fairly, in all material respects, the financial position of NewHope Baptist Church 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.

Basis for Opinion

The Church Council of NewHope Baptist Church is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements the church's constitution and is appropriate to meet the need of the members. The Church Council's responsibility also includes such internal control as the Church Council determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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 to assist NewHope Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Church Council's Responsibility for the Financial Report

The Church Council 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 1 to the financial report is appropriate to meet the needs of the members. The Church Council's responsibility also includes such internal control as the Church Council 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 directors are responsible for assessing the church'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 Church Council members either intend to liquidate the church 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.



Joel Hernandez, CA
rdl.accountants

19 May 2021
Blackburn, Victoria