

Sri Guru Nanak Satsang Sabha

ABN: 45 005 977 837

Financial Statements

For the Year Ended 30 June 2021

Sri Guru Nanak Satsang Sabha

ABN: 45 005 977 837

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For the Year Ended 30 June 2021

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Sri Guru Nanak Satsang Sabha

ABN: 45 005 977 837

Directors' Report

30 June 2021

The directors present their report on Sri Guru Nanak Satsang Sabha for the financial year ended 30 June 2021.

General information

Directors

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

Anterpreet Singh Arneja
Rajinder Minhas
Mandeep Singh Ahluwalia
Jang Pannu
Ramanbir Singh Ameja (appointed on 30 Jan 2021)
Ravinderpal Singh (appointed on 30 Jan 2021)
Amardeep Singh Batra
Jagmohan Puri
Sandeep Singh

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of Sri Guru Nanak Satsang Sabha during the financial year were:

- Holding regular weekly congregational meetings
- Teaching music and Gurbani Kirtan
- Teaching Gurmat, the philosophies of the Sikh Gurus
- Holding religious programmes of various types

There were no significant changes in the nature of Sri Guru Nanak Satsang Sabha's principal activities during the financial year.

Short term objectives

The Company's short term objectives are to:

- Hold weekly congregations
- Work for the advancement of Sikh community
- Teach Gurmat (the philosophies of the Sikh Gurus)
- Teach music and Gurbani kirtan
- Promote Kirtan school and Language school - Increase our student numbers
- Holding religious programmes of various types eg. Amrit Sanchar (Sikh Baptism Ceremony)
- Celebrate Gurburabs and other festivals at the Gurdwara

Long term objectives

The Company's long term objectives are to:

- Preservation of and respect for a distinct Sikh identity
- Developing programs for proper upbringing of Sikh children and youth and imparting to them sound knowledge of, and inspiring in them real pride in the Sikh identity, religion, culture, tradition, and history
- Promotion of public awareness of Sikh beliefs and practices in order to enhance educational and employment opportunities for the Sikhs

Directors' Report

30 June 2021

General information

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- The company strives to retain quality staff and volunteers who are committed to working with underprivileged and at-risk youths. The directors consider that retaining quality staff and volunteers is essential for the company to continue providing the services that it does, and is critical to it achieving all of its short-term and long-term objectives.
- The company establishes and fosters working partnerships with a range of community stakeholders. By actively encouraging and facilitating stakeholder involvement in the entity's activities, the company will be able to achieve its:
 - short-term objectives of supporting youths by engaging sectors of the community and being a recognised leader in the provision of youth services; and
 - long-term objective of establishing and maintaining relationships that foster social inclusion and community reconnection.
- The company is committed to operating programs that support and empower underprivileged and at-risk youths. In doing so, the company will be able to achieve its:
 - Short-term objective of providing mentoring and specialist youth services that benefit its clients; and
 - Long-term objective of sustainability and continuous improvement in the programs it provides.

Performance measures

The following measures are used within the Company to monitor performance:

1. Increase our community presence and awareness - arrange food programs, seniors activities, etc
2. Update our website and provide more services online.
3. Smart phone app upgrade - Booking service and other Gurdwara information.
4. Blackburn - Prepare plans for the extension of the building to create more space to expand social activities for community benefit.
5. Blackburn - New sound system install in Darbar Hall.
6. Obtained grants from Government to help alleviate financial burden for Gurdwara extension.
7. Blackburn - New data server installed. Office computers upgraded along with software licenses.
8. Ongoing operational support - Making sure the weekly events are running smoothly
9. HC - Started new Punjabi language school in newly renovated venue for teaching Punjabi to students as per school curriculum.
10. HC - Started new Music school for teaching Kirtan and traditional musical instruments.
11. Supported student visits from different schools at Blackburn and Hoppers Crossing.
12. Sikh Music Festival, kids activities, Kirtan by Gurbani school students of all ages, kids quiz competition and Children funfair activities.
13. Optimised Security system cameras at Blackburn and Hoppers Crossing.
14. Sikh YOUTH night is being held 1st Friday of every month to engage the Children and Youth.

Members' guarantee

Sri Guru Nanak Satsang Sabha is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 50, subject to the provisions of the company's constitution.

Sri Guru Nanak Satsang Sabha

ABN: 45 005 977 837

Directors' Report

30 June 2021

Meetings of directors

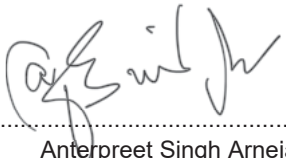
During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Anterpreet Singh Arneja	11	11
Rajinder Minhas	11	11
Mandeep Singh Ahluwalia	11	10
Jang Pannu	11	10
Ramanbir Singh Ameja	6	6
Ravinderpal Singh	6	6
Sandeep Singh	5	4
Amardeep Singh Batra	11	9
Jagmohan Puri	5	5

Auditor's independence declaration

A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 18.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Anterpreet Singh Arneja

Director: 
Mandeep Singh Ahluwalia

Dated 17th November 2021

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	1,581,997	1,965,379
		1,581,997	1,965,379
Administration		(13,446)	(18,338)
Consumables		(31,659)	(90,442)
Depreciation and amortisation expense		(293,305)	(304,127)
Donations		(39,477)	(51,500)
Employee benefits expense		(219,976)	(251,032)
Equipment hire		(18,669)	(25,113)
Finance costs		(120,451)	(121,915)
Function and event costs		(3,361)	(38,579)
Motor vehicle expenses		(11,988)	(7,337)
Other expenses		(43,347)	(54,062)
Professional fees		(25,758)	(39,863)
Property Costs		(127,530)	(157,050)
Travel		(10,153)	(13,754)
Utilities		(75,600)	(135,155)
Visitor costs and gifts		(18,020)	(39,330)
		(1,052,740)	(1,347,597)
Profit before income tax		529,257	617,782
Income tax expense		-	-
Profit after income tax		529,257	617,782
Revaluation changes for property, plant and equipment		-	7,620,945
Other comprehensive income for the year, net of tax		-	7,620,945
Total comprehensive income for the year		529,257	8,238,727

Statement of Financial Position

30 June 2021

		2021	2020
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,733,715	2,055,243
Other assets	5	50,605	10,374
TOTAL CURRENT ASSETS		2,784,320	2,065,617
NON-CURRENT ASSETS			
Property, plant and equipment	6	43,850,468	44,119,978
TOTAL NON-CURRENT ASSETS		43,850,468	44,119,978
TOTAL ASSETS		46,634,788	46,185,595
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	65,131	66,076
Borrowings	8	161	694
Employee benefits	9	25,430	31,725
TOTAL CURRENT LIABILITIES		90,722	98,495
NON-CURRENT LIABILITIES			
Borrowings	8	3,382,835	3,455,126
TOTAL NON-CURRENT LIABILITIES		3,382,835	3,455,126
TOTAL LIABILITIES		3,473,557	3,553,621
NET ASSETS		43,161,231	42,631,974
EQUITY			
Reserves	10	34,512,698	34,512,698
Retained earnings	11	8,648,533	8,119,276
TOTAL EQUITY		43,161,231	42,631,974

The accompanying notes form part of these financial statements.

Sri Guru Nanak Satsang Sabha

ABN: 45 005 977 837

Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	8,119,276	34,512,698	42,631,974
Net profit/ (loss) for the year	529,257	-	529,257
Balance at 30 June 2021	8,648,533	34,512,698	43,161,231

2020

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	7,501,494	26,891,753	34,393,247
Net profit/ (loss) for the year	617,782	-	617,782
Other comprehensive income for the year, net of tax	-	7,620,945	7,620,945
Total comprehensive income for the year	617,782	7,620,945	8,238,727
Balance at 30 June 2020	8,119,276	34,512,698	42,631,974

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,605,143	2,005,613
Payments to suppliers and employees	(710,396)	(1,067,955)
Interest received	795	3,194
Interest paid	(113,455)	(115,893)
Net cash provided by/(used in) operating activities	14 782,087	824,959
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(30,791)	(2,145,875)
Net cash used by investing activities	(30,791)	(2,145,875)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional finance from borrowings	-	3,455,627
Repayment of borrowings	(72,824)	(1,801,203)
Net cash used by financing activities	(72,824)	1,654,424
Net increase/(decrease) in cash and cash equivalents held	678,472	333,508
Cash and cash equivalents at beginning of year	2,055,243	1,721,735
Cash and cash equivalents at end of financial year	2,733,715	2,055,243

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Sri Guru Nanak Satsang Sabha as an individual entity. Sri Guru Nanak Satsang Sabha is a not-for profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2021 are as stated per the Directors' Report.

The functional and presentation currency of Sri Guru Nanak Satsang Sabha is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion the Company 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 *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition, 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*.

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 Company 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) Income Tax

The Company 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 Company 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Furniture, Fixtures and Fittings	2.5% - 40%
Motor Vehicles	15%
Freehold improvements	10%
Borrowing costs	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, borrowings and lease liabilities.

(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.

(g) Provisions

Provisions are recognised when the Company 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 reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

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 - estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimate lives, or technically obsolete or on-strategic assets that have been abandoned or sold will be written off or written down.

Key estimates - provisions

As described in the accounting policies, provisions 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 and will vary as further information is obtained.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key estimates - property held at fair value

Independent valuations of properties (land and buildings) are obtained to assess the valuation of the properties except for 127 Whitehorse Road, Blackburn where a valuation report cannot be obtained. Hence, the directors used the valuations of the other properties to estimate the fair value of 127 Whitehorse Road, Blackburn. The directors have reviewed the valuations and have deemed them reasonable based on valuations of similar properties in the area. The valuation is an estimation which would only be realised if the property is sold.

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 benefits provisions

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the amounts expected to be paid when the liability is settled.

4 Revenue

	2021	2020
	\$	\$
Donations	1,114,497	1,371,940
Interest	795	3,194
Grants	233,750	419,782
Government support income	147,500	36,000
Rental income	21,371	56,859
Subscriptions and school fees	17,780	13,641
Other income	46,303	63,963
	1,581,996	1,965,379

5 Other Assets

	2021	2020
	\$	\$
Prepayments	50,396	10,374
Advance payments	209	-
	50,605	10,374

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Property, plant and equipment

	2021 \$	2020 \$
Freehold land		
At cost	6,798,782	6,798,782
Valuation increment	34,512,698	34,512,698
Total Land	41,311,480	41,311,480
Buildings		
At cost	2,311,530	2,289,164
Accumulated depreciation	(464,213)	(406,984)
Total buildings	1,847,317	1,882,180
Furniture, fixtures and fittings		
At cost	809,333	797,271
Accumulated depreciation	(665,001)	(596,269)
Total furniture, fixtures and fittings	144,332	201,002
Motor vehicles		
At cost	39,253	44,896
Accumulated depreciation	(11,531)	(5,643)
Total motor vehicles	27,722	39,253
Freehold improvements		
At cost	1,719,130	1,722,767
Accumulated depreciation	(1,219,615)	(1,063,802)
Total freehold improvements	499,515	658,965
Borrowing costs		
At cost	34,982	34,982
Accumulated amortisation	(14,880)	(7,884)
Total borrowing costs	20,102	27,098
Total property, plant and equipment	43,850,468	44,119,978

The basis of the valuation of land and buildings is at fair value, being the amounts for which the assets could be exchanged between willing parties at arm's length, based on current prices in an active market for similar properties in the same location and condition.

The last independent valuation of property (land and buildings) carried at fair value was obtained in May 2020 via domain.com.au and Philip Webb Appraisal Reports (2019 via the ANZ Property Profile Report and The Eleet Appraisal Report). The directors have reviewed the valuations and have deemed them reasonable based on valuations of similar properties in the area. The valuation is an estimation which would only be realised if the property is sold.

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Trade and Other Payables

	2021	2020
	\$	\$
Trade payables	37,846	28,609
BAS payable	6,554	4,411
Accruals	20,570	29,024
Other payables	161	4,032
	<u>65,131</u>	<u>66,076</u>

8 Borrowings

(a) Current Borrowings

	2021	2020
	\$	\$
Secured bank loans	161	694
Total current borrowings	<u>161</u>	<u>694</u>

(b) Non Current Borrowings

	2021	2020
	\$	\$
Secured bank loan	3,382,835	3,455,126
Total non-current borrowings	<u>3,382,835</u>	<u>3,455,126</u>

The current bank loans are repayable on demand and interest are at market rates. The non-current bank loan term is for a maximum of 36 months period, maturing in October 2022. A variable commercial interest rate applies to the non current loan. Both the current and non-current loans are secured by first mortgage over the the following properties:

- 14 John Street Blackburn VIC 3130
- 16 John Street Blackburn VIC 3130
- 34 Pope Road Blackburn VIC 3130
- 36 Pope Road Blackburn VIC 3130
- 38 Pope Road Blackburn VIC 3130
- 405 Sayers Road Hoppers Crossing VIC 3029
- 411 Sayers Road Hoppers Crossing VIC 3029
- 417 Sayers Road Hoppers Crossing VIC 3029

9 Employee Benefits

	2021	2020
	\$	\$
Long service leave	10,698	9,829
Annual leave	14,732	21,896
	<u>25,430</u>	<u>31,725</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Reserves

	2021	2020
	\$	\$
Asset revaluation reserve	34,512,698	34,512,698
	34,512,698	34,512,698

Revaluation surplus reserve

The asset revaluation reserve relates to the revaluation of property based on current market value which generated a revaluation surplus.

11 Retained Earnings

	2021	2020
	\$	\$
Retained earnings at the beginning of the financial year	8,119,276	7,501,494
Net profit/ (loss) for the year	529,257	617,782
Retained earnings at end of the financial year	8,648,533	8,119,276

12 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor rdl.accountants, for:		
- Auditing services	5,400	5,200
- Assisting with the preparation of financial statements	2,500	2,500
- General consulting	661	5,000
	8,561	12,700

13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 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:

	2021	2020
	\$	\$
Profit after income tax	529,257	617,782
Non-cash flows in profit:		
- amortisation	6,996	6,022
- depreciation	293,305	304,127
Changes in assets and liabilities:		
- (increase)/decrease in other assets	(40,231)	(4,587)
- increase/(decrease) in trade and other payables	(945)	(100,313)
- increase/(decrease) in employee benefits	(6,295)	1,928
Cash flows from operations	782,087	824,959

15 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 Company, the results of those operations or the state of affairs of the Company in future financial years.

16 Going Concern

The Company is assessed as going concern. Management has received affirmation from the bank that there is an option for the Company to either refinance the existing loan or extend the loan term closer to the maturity date. As such, the repayment of the loan due to mature in October 2022 is not gaged to affect the going concern of the Company in the next twelve months.

17 COVID-19 Event

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 company. Government restrictions were announced and as part of this, the Company had to shut access to both Blackburn and Hoppers Crossing branches from the public. As a result, limited online donation was received from public during lock down while expenses remained more or less fixed. Management remained vigilant and maintained close monitoring of the Company's income and expenses. The company has received government support through the JobKeeper program and other federal and state government packages. The directors consider that the company 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.

18 Statutory Information

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

Sri Guru Nanak Satsang Sabha
127 Whitehorse Road
BLACKBURN VIC 3130

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 16, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-Profit Commissions Regulation 2013*.


Director
Anterpreet Singh Arneja


Director
Mandeep Singh Ahluwalia

Dated **17th November 2021**

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF SRI GURU NANAK SATSANG SABHA

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 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

17 November 2021
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SRI GURU NANAK SATSANG SABHA

Report on the Financial Report*Qualified Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of Sri Guru Nanak Satsang Sabha (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other 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 directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of Sri Guru Nanak Satsang Sabha is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act Regulation 2013*.

Basis for Qualified Opinion

The Company's land and buildings are measured using the revaluation model and are carried on the statement of financial position at \$43,158,797. Due to the COVID-19 pandemic, the State Government imposed lockdown restrictions which prevented the Company from arranging for a revaluation of the land and buildings as at 30 June 2021. Consequently, we could not ascertain whether the valuations of the Company's land and buildings is true and fair or if any adjustments to these amounts were necessary.

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 company in accordance with the ethical requirements of the *Australian Charities 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 qualified opinion.

Emphasis of Matter - Basis of Accounting

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 the directors' financial reporting responsibilities under 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 Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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 company'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 directors either intend to liquidate the company 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 company'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 company'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 company 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.

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

Matthew Hung, CA
rdl.accountants

17 November 2021
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