

**EDGAR'S MISSION INC.**

**ABN: 75 001 177 836**

**Financial Reports**

**FOR THE YEAR ENDED 30 JUNE 2020**

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## COMMITTEE'S REPORT

Your committee members submit the financial report of Edgar's Mission Inc. for the financial year ended 30 June 2020.

### Committee Members

The names of committee members throughout the year and at the date of this report are:

Pam Ahern	President	Dr Jessica Coates	Member
Meg Streiff	Vice President	Diana Simpson	Member
Bayden Hammond	Treasurer	Cherie Wilson	Member
Robyn Kirby	Secretary	Fiona McIntyre	Member
Sylvia Ahern	Member	Despina Knappstein	Member

### Principal Activities

The principal activities of the association during the financial year were to operate a farm sanctuary with a vision for a humane and just world for all.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Operating Result

The profit for the year ended amounted to \$157,333 compared with a profit of \$382,194 for the financial year 2019.


### Events Subsequent to the End of the Reporting Period

The Association's operations may be affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Association's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Association's customers and revenue, absenteeism in the Association's labor workforce, unavailability of products and supplies used in operations, and a decline in value of assets held by the Association, including plant and equipment.

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



Pam Ahern  
President  
4 November 2020



Bayden Hammond  
Treasurer

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE MEMBERS OF EDGAR'S MISSION INC.**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Edgar's Mission Inc. for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

Ryecrofts



Terrence Vail  
Director

Dated: 4 November 2020

**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue	2	2,393,245	2,245,451
Cost of sales		(292,259)	(304,176)
<b>Gross profit</b>		<b>2,100,986</b>	<b>1,941,275</b>
Other income	2	126,314	111,071
Employee benefits expense		(1,087,427)	(702,144)
Animal care costs		(331,181)	(291,684)
Repairs & maintenance expense		(95,053)	(126,942)
Depreciation expense		(83,907)	(77,192)
Donations		(100,000)	-
Marketing & advertising		(157,225)	(223,695)
Administration expenses		(86,200)	(35,475)
Other expenses		(128,974)	(213,020)
<b>Surplus/(Deficit) for the year before tax</b>		<b>157,333</b>	<b>382,194</b>
Income tax expense	1(f)	-	-
<b>Surplus/(Deficit) for the year</b>		<b>157,333</b>	<b>382,194</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>157,333</b>	<b>382,194</b>

*The accompanying notes form part of these financial statements*

## Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	2,025,577	1,737,419
Other assets	5	16,181	24,483
Inventory		183,498	238,886
<b>Total Current Assets</b>		<b>2,225,256</b>	<b>2,000,788</b>
<b>Non-Current Assets</b>			
Assets under construction		33,000	51,673
Plant and equipment	6	2,754,384	2,697,562
<b>Total Non-Current Assets</b>		<b>2,787,384</b>	<b>2,749,235</b>
<b>Total Assets</b>		<b>5,012,640</b>	<b>4,750,023</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts and Other Payables	7	128,341	54,750
Employee provisions	8	56,423	34,712
<b>Total Current Liabilities</b>		<b>184,764</b>	<b>89,462</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8	20,754	10,772
<b>Total Non-Current Liabilities</b>		<b>20,754</b>	<b>10,772</b>
<b>Total Liabilities</b>		<b>205,518</b>	<b>100,234</b>
<b>Net Assets</b>		<b>4,807,122</b>	<b>4,649,789</b>
Retained surplus		4,649,789	4,267,595
Current year (deficit)/surplus		157,333	382,194
<b>Total Equity</b>		<b>4,807,122</b>	<b>4,649,789</b>

*The accompanying notes form part of these financial statements*

## Statement of Changes in Equity for the year ended 30 June 2020

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2018	4,267,595	4,267,595
Net surplus for the year	382,194	382,194
Other comprehensive income for the year	-	-
<b>Balance at 30 June 2019</b>	<b>4,649,789</b>	<b>4,649,789</b>
Balance at 1 July 2019	4,649,789	4,649,789
Net deficit for the year	157,333	157,333
Other comprehensive income for the year	-	-
<b>Balance at 30 June 2020</b>	<b>4,807,122</b>	<b>4,807,122</b>

*The accompanying notes form part of these financial statements*

## Statement of Changes in Equity for the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from donations and bequests		1,843,559	1,769,562
Grants received		28,000	30,382
Receipts from customers		675,368	576,783
Interest received		46,538	(1,938,598)
Payments to suppliers and employees		(2,160,573)	27,369
<b>Net cash (used in)/generated by operating activities</b>	<b>9</b>	<b>432,892</b>	<b>465,497</b>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant and equipment		(144,734)	(175,005)
<b>Net cash used in investing activities</b>		<b>(144,734)</b>	<b>(175,005)</b>
<b>Cash Flows from Financing Activities</b>			
Net cash used in financing activities		-	-
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>288,158</b>	<b>290,492</b>
<b>Cash and Cash Equivalents at the Beginning of the Financial Year</b>		<b>1,737,419</b>	<b>1,466,927</b>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<b>4</b>	<b>2,025,577</b>	<b>1,757,419</b>

*The accompanying notes form part of these financial statements*



## Notes to the Financial Statements for the year ended 30 June 2020

The financial statements cover Edgar's Mission Inc. ("the Association") as an individual entity. Edgar's Mission Inc. is an Association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012 and is a registered charity with the Australian Charity and Not-for-Profits Commission (ACNC).

### **Note 1. Summary of Significant Accounting Policies**

#### **Basis of preparation**

The board of Edgar's Mission Inc. has determined that the Association is not a reporting entity because there are no users who rely on general purpose financial statements for financial information about the entity. These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Association Incorporations Reform Act 2012 (Victoria) and the Australian Charities and Not-for-Profits Commission Act 2012.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant accounting policies adopted in the preparation of these financial statements are presented below are consistent with prior reporting periods unless otherwise stated

#### **(a) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

#### **(b) Provisions**

Provisions are recognised when the Incorporated Association 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.

#### **(c) Employee Benefits**

Provision is made for the Incorporated Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

## Notes to the Financial Statements for the year ended 30 June 2020

**Note 1. Summary of Significant Accounting Policies continued**

**(d) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable any accumulated depreciation and impairment.

**(e) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised as net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included as part of the receivables in the balance sheet.

**(f) Income tax**

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**(g) Correction of Prior Period Errors**

The comparative balances of other income and marketing expenses have been revised to correctly reflect the association's interest income and accrued expenses in the prior year.

The following line items in the financial report have been revised to reflect the revision:

	<b>30 June 2019 Financial Statements</b>	<b>30 June 2019 Revised Comparative Disclosure</b>
Statement of Profit or Loss and Other Comprehensive Income		
Other Income	94,905	111,071
Marketing Expenses	197,571	223,695
Statement of Financial Position		
Other Assets	8,317	24,483
Accounts and Other Payables	28,626	54,750
Statement of Changes in Equity	4,659,747	4,649,789

## Notes to the Financial Statements for the year ended 30 June 2020

<b>Note 2. Revenue</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Donations and bequests	1,843,558	1,769,561
Sale of goods	524,793	475,890
Tiny House income	24,894	-
	<u>2,393,245</u>	<u>2,245,451</u>
<b>Other Income</b>		
Interest Received	32,030	43,535
Grants	20,000	27,620
Government Grant Income	50,000	-
Other Revenue	8884	30316
Rent Received	15,400	9,600
	<u>126,314</u>	<u>111,071</u>
	<u><u>2,519,559</u></u>	<u><u>2,356,522</u></u>
 <b>Note 3. Auditor's Fees</b>	 <b>2020</b>	 <b>2019</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the association for auditing the financial statements	1,500	1,500
Other services	-	-
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>
 <b>Note 4. Cash and Cash Equivalents</b>	 <b>2020</b>	 <b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	615,006	373,386
Term deposits	1,410,571	1,364,033
	<u>2,025,577</u>	<u>1,737,419</u>
	<u><u>2,025,577</u></u>	<u><u>1,737,419</u></u>
 <b>Note 5. Other Assets</b>	 <b>2020</b>	 <b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest receivable	1,658	16,166
Prepayments	14,523	8,317
	<u>16,181</u>	<u>24,483</u>
	<u><u>16,181</u></u>	<u><u>24,483</u></u>

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 6. Property, Plant and Equipment

	Motor vehicles	Office furniture	Plant & Equipment	Freehold land	Property Improvement	Total
<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July 2018	227,127	51,498	286,329	2,000,000	358,545	2,923,499
Additions	-	19,982	21,605	-	133,418	175,005
Disposals	-	-	-	-	-	-
At 30 June 2019	227,127	71,480	307,934	2,000,000	491,963	3,098,504
At 1 July 2019	227,127	71,480	307,934	2,000,000	491,963	3,098,504
Additions	28,313	-	13,591	-	102,830	144,734
Disposals	(22,500)	-	-	-	-	(22,500)
At 30 June 2020	232,940	71,480	321,525	2,000,000	594,793	3,220,738
<b>Accumulated depreciation</b>						
At 1 July 2018	142,342	37,656	84,918	-	58,812	323,728
Current year depreciation	21,275	12,493	26,261	-	17,185	77,214
Disposals	-	-	-	-	-	-
At 30 June 2019	163,617	50,149	111,179	-	75,997	400,942
At 1 July 2019	163,617	50,149	111,179	-	75,997	400,942
Current year depreciation	19,580	11,250	26,124	-	26,954	83,908
Disposals	(18,497)	-	-	-	-	(18,497)
At 30 June 2020	164,700	61,399	137,303	-	102,951	466,353
<b>Net book value</b>						
At 30 June 2020	68,239	10,081	184,222	2,000,000	491,842	2,754,384
At 30 June 2019	63,510	21,331	196,755	2,000,000	415,966	2,697,562

### Note 7. Accounts and Other Payables

	2020	2019
	\$	\$
Trade Creditors	37,969	53,197
GST Payable	7,733	(27,527)
Superannuation Payable	52,330	18,020
PAYG Payable	15,869	11,059
Wages Payable	14,440	-
	128,341	54,750

## Notes to the Financial Statements for the year ended 30 June 2020

<b>Note 8. Employee Provisions</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current		
Employee provisions - annual leave	45,717	25,114
Employee provisions - long service leave	10,706	9,598
	<u>56,423</u>	<u>34,712</u>
Non-Current		
Employee provisions - long service leave	20,754	10,772
	<u>20,754</u>	<u>10,772</u>
	<u><u>77,177</u></u>	<u><u>45,484</u></u>
 <b>Note 9. Cash Flow Information</b>	 <b>2020</b>	 <b>2019</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of cash flow from operations with surplus after income tax		
Surplus after income tax	157,333	382,194
Non-cash flows in profit		
Depreciation	83,907	77,192
Transfer from assets under construction	18,673	214,103
Changes in assets and liabilities		
(Increase)/decrease in other assets	(6,206)	76,704
(Increase)/decrease in interest receivable	14,508	(16,166)
(Increase)/decrease in inventory	55,388	(37,055)
Increase/(decrease) in trade and other creditors	77,596	(245,350)
Increase/(decrease) in employee provisions	31,693	13,875
Net cash provided by operating activities	<u>432,892</u>	<u>465,497</u>

### Note 10. Events Subsequent to the End of the Reporting Period

The Association's operations may be affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Association's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Association's customers and revenue, absenteeism in the Association's labor workforce, unavailability of products and supplies used in operations, and a decline in value of assets held by the Association, including plant and equipment.

## COMMITTEE'S DECLARATION


In the opinion of the Committee of Edgar's Mission Inc.:

- a. The financial statements and notes of Edgar's Mission Inc. are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* , including:
  - (i) Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and
- b. There are reasonable grounds to believe that Edgar's Mission Inc. will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Committee.



Pam Ahern  
President



Bayden Hammond  
Treasurer

Dated this 4th day of November 2020

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE EDGAR'S MISSION INC.**

**Opinion**

We have audited the financial report of Edgar's Mission Inc. ("the entity") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

We conducted our audit in accordance with 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 Entity in accordance with the auditor independence requirements of 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's 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.

### **Emphasis of Matter – The Impact of the Uncertainty of COVID-19**

We draw attention to Note 10 in the Financial Report, which describes events subsequent to year end and specifically the possible effects of the future implications of COVID-19 on the Association's future financial position and performance. In our view this issue is fundamental to users' understanding of the Financial Report. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter – Non-attendance at Stocktake Procedures**

As a result of travel restrictions imposed by the Government in response to the COVID-19 pandemic, we did not attend counting of physical inventories. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 30 June 2020, which are stated in the Statement of Financial Position at \$183,498.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The committee members are responsible for the other information. The other information comprises the information included in the entity's financial report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The committee members of the Entity are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.



## **Responsibilities 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 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 the financial report

A further description of our responsibilities for the audit of the financial report is included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of our auditor's report.

### **RYECROFTS PTY LTD**

A handwritten signature in black ink, appearing to read 'Terry Vail', with a horizontal line underneath.

Terry Vail  
Director  
Registered Company Auditor – 305706

Dated this 4<sup>th</sup> day of November 2020

## **Appendix A: Auditor's Responsibilities for the Audit of the Financial Report**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement 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.
- 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.