

**The Voice of The Martyrs Incorporated Association
Financial Statements**

December 31, 2021

(With Independent Auditor's Report Thereon)



The Voice of The Martyrs Incorporated Association
For the year ended December 31, 2021

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Independent Auditors' Report

Board of Directors

The Voice of The Martyrs Incorporated Association

Seoul, Korea

We have audited the accompanying financial statements of The Voice of The Martyrs Incorporated Association in Korea ("the Association"), which comprise the Statement of financial position as of December 31, 2021, the related Statement of activity, Statement of cash flows for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2021, results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the Republic of Korea.

April 19, 2022

Hanl accounting Corporation

Hanl Accounting Corp.
Seoul, Korea

This audit report is effective as of April 19, 2022, the independent auditors' report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the auditors' report date to the time this audit report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

The Voice of The Martyrs Incorporated Association
Statement of financial position
as of December 31, 2021, 2020

(Korean won in units)

	Notes	2021	2020
Assets			
Current assets			
Cash and cash equivalents	4	398,775,443	345,090,604
Reimbursable		-	(1,054,884)
Advance payments		73,711,872	-
Prepaid income taxes		121,880	-
Other current assets		-	5,972,747
		<u>472,609,195</u>	<u>350,008,467</u>
Non-current assets			
Leasehold deposits		268,320,000	259,540,000
Land	5	959,637,162	790,517,754
Buildings	5	572,753,133	279,025,731
Accumulated depreciation	5	(21,124,870)	(11,695,764)
Vehicles	5	91,408,287	-
Accumulated depreciation	5	(8,561,436)	-
Equipment	5	57,005,530	53,195,130
Accumulated depreciation	5	(41,728,384)	(31,648,512)
		<u>1,877,709,422</u>	<u>1,338,934,339</u>
Total assets		<u><u>2,350,318,617</u></u>	<u><u>1,688,942,806</u></u>
Liabilities and equity			
Current liabilities			
Withholdings		4,262,040	1,008,960
Current portion of long-term liabilities	6	103,925,441	103,509,596
		<u>108,187,481</u>	<u>104,518,556</u>
Non-current liabilities			
Long-term borrowings	6	193,818,914	157,744,355
Long-term non-trade payables	5	70,000,000	210,000,000
		<u>263,818,914</u>	<u>367,744,355</u>
Total liabilities		<u><u>372,006,395</u></u>	<u><u>472,262,911</u></u>
Net Asset			
Fundamental Property	10	327,500,000	327,500,000
Accumulated excess of revenues over expenses		1,650,812,222	889,179,895
Total net asset		<u><u>1,978,312,222</u></u>	<u><u>1,216,679,895</u></u>
Total liabilities and equity		<u><u>2,350,318,617</u></u>	<u><u>1,688,942,806</u></u>

The notes are an integral part of the financial statements

The Voice of The Martyrs Incorporated Association
Statement of activity
For the year ended December 31, 2021, 2020
(Korean won in units)

	Notes	2021	2020
Revenue and support			
Project sponsorship and grants	7	3,244,757,054	2,652,381,183
Gains on Foreign Currency Transaction		6,839,883	4,111,110
Interest Revenues		1,121,484	991,259
		3,252,718,421	2,657,483,552
Expenses			
Direct essential business expenses	8	718,693,418	979,040,235
Indirect essential business expenses	9	1,789,981,840	1,260,858,999
		2,508,675,258	2,239,899,234
Non-operating income			
Gains on foreign currency translation		19,259,829	-
		19,259,829	-
Non-operating expenses			
Loss on foreign currency translation		1,670,665	-
		1,670,665	-
Change in net asset		761,632,327	417,584,318

The notes are an integral part of the financial statements

The Voice of The Martyrs Incorporated Association
Statement of cash flows
For the year ended December 31, 2021, 2020
(Korean won in units)

	2021	2020
Cash flows from operating activities		
Change in net asset	761,632,327	417,584,318
Non-cash adjustment to reconcile net loss to net cash flows		
Depreciation	28,070,414	24,676,048
	<u>28,070,414</u>	<u>24,676,048</u>
Changes in operating assets and liabilities		
Reimbursable	(1,054,884)	3,884,684
Advance payments	(73,711,872)	-
Prepaid income taxes	(121,880)	-
Other current assets	5,972,747	(5,253,525)
Leasehold deposits	(8,780,000)	(79,340,000)
Withholdings	3,253,080	288,200
Non-trade payables	-	(70,000,000)
Long-term non-trade payables	(70,000,000)	(70,000,000)
	<u>(144,442,809)</u>	<u>(220,420,641)</u>
Net cash flows provided by operating activities	<u>645,259,932</u>	<u>221,839,725</u>
Cash flows from investing activities		
Cash inflows from investing activities	-	-
Cash outflows from investing activities	(558,065,497)	-
Increase in Land	169,119,408	-
Increase in Buildings	293,727,402	-
Increase in Vehicles	91,408,287	-
Increase in Equipment	3,810,400	-
Net cash flows provided by investing activities	<u>(558,065,497)</u>	<u>-</u>
Cash flows from financing activities		
Cash inflows from financing activities	173,509,596	-
Increase in Current portion of long-term liabilities	70,000,000	-
Increase in Long-term borrowings	103,509,596	-
Cash outflows from financing activities	(207,019,192)	(32,761,011)
Decrease in Long-term borrowings	207,019,192	32,761,011
Net cash flows provided by financing activities	<u>(33,509,596)</u>	<u>(32,761,011)</u>
Net increase in cash and cash equivalents	53,684,839	189,078,714
Cash and cash equivalents at beginning of the year	345,090,604	156,011,890
Cash and cash equivalents at end of the year	<u><u>398,775,443</u></u>	<u><u>345,090,604</u></u>

The notes are an integral part of the financial statements

The Voice of The Martyrs Incorporated Association
Notes to Financial Statements
For The Years Ended December 31, 2021 and 2020

1. Nature of Organization

Voice of the Martyrs Korea ("the Association") is dedicated to enabling today's Korean Christians both South and North, as well as Christian brothers and sisters from around the world with special connection to Korea, to remember the path of Christ's suffering love and to learn together how to walk in it well. The Association does this by listening closely to the voice of Jesus, and to those early Korean Christian martyrs and persecuted Christians around the world today who follow him no matter what, especially in North Korea. The Association partners and fellowships together with those who suffer for Christ not in pity or sadness or a desire to rescue them, but in the conviction that Christ's sacrificial love is the greatest treasure humans can receive from God and express in their own lives.

Voice of the Martyrs worldwide was founded in 1967 by Rev. Richard Wurmbrand, a Romanian pastor imprisoned and beaten for his faith by communist authorities for more than 13 years. Today, independent Voice of the Martyrs organizations in more than 20 countries carry on Rev. Wurmbrand's work, partnering with persecuted believers in more than 70 nations. The Rev. Dr. Eric Foley and the Rev. Dr. Hyun Sook Foley founded Voice of the Martyrs Korea in 2003. It is legally registered in Korea as a Non-Governmental Organization, with Pastor Foley and Dr. Foley as co-representatives. It maintains its office in Seongbuk-gu, Seoul.

2. Basis of Preparation

(1) Statement of compliance

The Association maintains its official accounting records in Korean Won and prepares financial statements in Korean in accordance with accounting principles generally accepted in the Republic of Korea.

The accompanying financial statements are not intended to present the financial position, results of operations in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and their application in practice.

3. Summary of significant accounting policies

The significant accounting policies applied by the Association in preparation of its financial statements are included below.

(1) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Association considers investments with maturities of three months or less on acquisition date to be cash and cash equivalents.

(2) Property

Property is initially measured at cost. The cost of property includes the expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Significant expenditures or improvements extending the useful life of assets are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Subsequent to initial recognition, an item of property is carried at its cost less any accumulated depreciation and any accumulated impairment losses. Land is not depreciated.

Depreciation is computed using depreciation method over the estimated useful lives of the assets as follows:

Account	Depreciation method	Useful lives
Buildings	Straight-line method	40 years
Vehicles	Straight-line method	5 years
Equipment	Declining balance method	5 years

Gains and losses on disposal of an item of property is determined by comparing the proceeds from disposal with the carrying amount of property and is recognized in profit or loss.

(3) Revenue and expense recognition

The Association's revenue and expense are recognized in the statement of revenues and expenditures based on cash basis.

4. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2021, 2020 are as follows :

(In Korean won)

Account	2021-12-31	2020-12-31
Cash	118,910,774	137,526,145
Bank deposits	279,864,669	207,564,459
Total	398,775,443	345,090,604

5. Tangible assets

(1) Tangible assets as of December 31, 2021 and 2020 are summarized as follows :

(In Korean won)

Account	2021-12-31	2020-12-31
Land	959,637,162	790,517,754
Buildings	572,753,133	279,025,731
Accumulated depreciation	(21,124,870)	(11,695,764)
Vehicles	91,408,287	-
Accumulated depreciation	(8,561,436)	-
Equipment	57,005,530	53,195,130
Accumulated depreciation	(41,728,384)	(31,648,512)
Total	1,609,389,422	1,079,394,339

(2) Changes in tangible assets for the year ended December 31, 2021 are as follows :

(In Korean won)

Account	Book value as of Jan 1	Acquisitions	Other	Depreciation	Book value as of Dec 31
Land	790,517,754	169,119,408	-	-	959,637,162
Buildings	279,025,731	293,727,402	-	-	572,753,133
Accumulated depreciation	(11,695,764)	-	-	(9,429,106)	(21,124,870)
Vehicles	-	91,408,287	-	-	91,408,287
Accumulated depreciation	-	-	-	(8,561,436)	(8,561,436)
Equipment	53,195,130	3,810,400	-	-	57,005,530
Accumulated depreciation	(31,648,512)	-	-	(10,079,872)	(41,728,384)
Total	1,079,394,339	558,065,497	-	(28,070,414)	1,609,389,422

(3) Changes in tangible assets for the year ended December 31, 2020 are as follows :

(In Korean won)

Account	Book value as of Jan 1	Acquisitions	Other	Depreciation	Book value as of Dec 31
Land	790,517,754	-	-	-	790,517,754
Buildings	279,025,731	-	-	-	279,025,731
Accumulated depreciation	(4,720,123)	-	-	(6,975,641)	(11,695,764)
Equipment	53,195,130	-	-	-	53,195,130
Accumulated depreciation	(13,948,105)	-	-	(17,700,407)	(31,648,512)
Total	1,104,070,387	-	-	(24,676,048)	1,079,394,339

(4) The officially declared value of land at May 31, 2021, as announced by the Ministry of Land, Transport and Maritime Affairs, are as follows :

(In Korean won)

Account	Book value	The officially declared value
Land(KGS Home)	311,813,145	198,559,000
Land(Residence_Dillmuths)	205,486,045	86,342,624
Land(Jeju)	273,218,564	120,384,700
Land(Residence_FMH)	169,119,408	115,629,950
Total	959,637,162	520,916,274

(5) As of December 31, 2021, the Association provides property for its lender and has recognized 758,000,000 of a long-term provision for guarantees.

(6) In the current term, the Association entered into an installment payment agreement related to the Jeju property acquisition, and the remaining amount owed is recognized in non-trade payable.

6. Long-term borrowings

Long-term borrowings as of December 31, 2021 and 2020 are as follows :

(In Korean won)

Lender	Annual interest rate	2021-12-31	2020-12-31
KB Kookmin Bank	2.47%	103,244,355	118,753,951
	3.95%	124,500,000	142,500,000
(Current portion)		(33,925,441)	(103,509,596)
Total		193,818,914	157,744,355

7. Project sponsorship and Grants

Project sponsorship and grants as of 2021 and 2020 are as follows :

(In Korean won)

Account	2021	2020
Project sponsorship	2,609,038,424	2,195,109,707
Donations	536,413,940	373,746,332
Honoraria	11,050,000	3,300,000
Training / Consulting	81,739,734	75,146,593
Miscellaneous Income	6,514,956	5,078,551
Total	3,244,757,054	2,652,381,183

8. Direct Essential Business Expenses

Direct Essential Business Expenses as of 2021 and 2020 are as follows :

(In Korean won)

Account	2021	2020
Labor (external)	81,795,460	249,570,918
Living Necessities	62,990,037	25,515,134
Medical	1,538,930	1,198,231
Printing	-	33,862,840
Production / Airtime	186,404,941	239,528,013
Project Supplies	317,751,532	375,028,410
Partner Facilities	1,600,000	1,031,880
Ship / Distribution	1,215,050	23,264,141
Travel	49,062,250	30,040,668
NK Ministry (general)	16,335,218	-
Total	718,693,418	979,040,235

9. Indirect Essential Business Expenses

Indirect Essential Business Expenses as of 2021 and 2020 are summarized as follows :

(In Korean won)

Account	2021	2020
Payroll	512,879,016	351,722,965
Employee Benefits	100,921,713	129,724,191
Housing	84,350,568	71,316,524
Severance	35,843,014	30,419,605
Depreciation expenses	28,070,414	24,676,048
Building	198,742,105	105,614,739
IT / Phone	77,168,276	84,308,571
Accounting	23,607,380	52,407,210
Professional	25,543,651	23,756,550
License & Permits	106,300	37,835
Meals & Entertainment	1,547,040	2,704,370
Office Supplies	8,915,199	5,711,999
Transportation / Auto / Travel	2,722,987	2,863,751
Wire / Bank Fees	217,706	83,791
Public Education and Awareness	157,007,495	150,300,933
Sponsorship (Outgoing)	522,149,327	216,857,042
CCFK Expense	1,500,000	1,500,000
ICA Expense	3,951,000	4,168,800
KAICAM Expense	360,000	360,000
CMS	660,000	660,000
VanPro	3,718,619	1,663,234
Others	30	841
Total	1,789,981,840	1,260,858,999

10. Net Asset

Changes in Net Asset for the year ended December 31, 2021 and 2020 are as follows :

(In Korean won)

Account	Fundamental Property	Accumulated excess of revenues over expenses	Total
Balance at Jan 1, 2020	327,500,000	471,595,577	799,095,577
Change in net asset	-	417,584,318	417,584,318
Balance at Dec 31, 2020	327,500,000	889,179,895	1,216,679,895
Balance at Jan 1, 2021	327,500,000	889,179,895	1,216,679,895
Change in net asset	-	761,632,327	761,632,327
Balance at Dec 31, 2021	327,500,000	1,650,812,222	1,978,312,222

11. Payment Guarantee

As of December 31, 2021, Seoul Guarantee Insurance has provided the Association with payment guarantees amounting to 3,240,000 won.

독립된 감사인의 감사보고서

사단법인 순교자의 소리

이사회 귀중

2022년 4월 19일

감사의견

우리는 별첨된 사단법인 순교자의 소리의 재무제표를 감사하였습니다. 동 재무제표는 2021년 12월 31일 현재의 재무상태표, 동일로 종료되는 보고기간의 손익계산서 및 현금흐름표 그리고 유의적 회계정책에 대한 요약과 그 밖의 설명정보로 구성되어 있습니다.

우리의 의견으로는 첨부된 재무제표는 사단법인 순교자의 소리의 2021년 12월 31일 현재의 재무상태, 동일로 종료되는 양 보고기간의 경영성과 그리고 현금흐름을 사단법인 순교자의 소리의 정관 및 일반적으로 인정된 회계원칙에 따라 중요성의 관점에서 공정하게 표시하고 있습니다.

감사의견근거

우리는 대한민국의 회계감사기준에 따라 감사를 수행하였습니다. 이 기준에 따른 우리의 책임은 이 감사보고서의 재무제표감사에 대한 감사인의 책임 단락에 기술되어 있습니다. 우리는 재무제표감사와 관련된 대한민국의 윤리적 요구사항에 따라 사단법인 순교자의 소리로부터 독립적이며, 그러한 요구사항에 따른 기타의 윤리적 책임을 이행하였습니다. 우리가 입수한 감사증거가 감사의견을 위한 근거로서 충분하고 적합하다고 우리는 믿습니다.

재무제표에 대한 경영진의 책임

경영진은 사단법인 순교자의 소리의 정관 및 일반적으로 인정된 회계원칙에 따라 이 재무제표를 작성하고 공정하게 표시할 책임이 있으며, 부정이나 오류로 인한 중요한 왜곡표시가 없는 재무제표를 작성하는데 필요하다고 결정한 내부통제에 대해서도 책임이 있습니다.

재무제표감사에 대한 감사인의 책임

우리의 목적은 사단법인 순교자의 소리의 재무제표에 전체적으로 부정이나 오류로 인한 중요한 왜곡표시가 없는지에 대하여 합리적인 확신을 얻어 우리의 의견이 포함된 감사보고서를 발행하는데 있습니다. 합리적인 확신은 높은 수준의 확신을 의미하나, 감사기준에 따라수행된 감사가 항상 중요한 왜곡표시를 발견한다는 것을 보장하지는 않습니다. 왜곡표시는 부정이나 오류로부터 발생할 수 있으며, 왜곡표시가 재무제표를 근거로 하는 이용자의 경제적 의사결정에 개별적으로 또는 집합적으로 영향을 미칠 것이 합리적으로 예상되면, 그 왜곡표시는 중요하다고 간주됩니다.

감사기준에 따른 감사의 일부로서 우리는 감사의 전 과정에 걸쳐 전문가적 판단을 수행하고 전문가적 의구심을 유지하고 있습니다. 또한, 우리는:

- 부정이나 오류로 인한 재무제표의 중요왜곡표시위험을 식별하고 평가하며 그러한 위험에 대응하는 감사절차를 설계하고 수행합니다. 그리고 감사의견의 근거로서 충분하고 적합한 감사증거를 입수합니다. 부정은 공모, 위조, 의도적인 누락, 허위진술 또는 내부통제 무력화가 개입될 수 있기 때문에 부정으로 인한 중요한 왜곡표시를 발견하지 못할 위험은 오류로 인한 위험보다 큽니다.
- 상황에 적합한 감사절차를 설계하기 위하여 감사와 관련된 내부통제를 이해합니다. 그러나 이는 내부통제의 효과성에 대한 의견을 표명하기 위한 것이 아닙니다.
- 재무제표를 작성하기 위하여 경영진이 적용한 회계정책의 적합성과 경영진이 도출한 회계추정치와 합리성에 대하여 평가합니다.
- 재무제표의 전반적인 표시와 구조 및 내용을 평가하고, 재무제표의 기초가 되는 거래와 사건을 재무제표가 공정한 방식으로 표시하고 있는지 여부를 평가합니다.

서울특별시 강남구 선릉로 801 6층

하늘회계법인 대표이사 남 영 우



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