

# **Melbourne Church of Christ**

ABN: 24 111 933 325

## **Financial Statements**

For the Year Ended 31 March 2022

# Melbourne Church of Christ

ABN: 24 111 933 325

For the Year Ended 31 March 2022

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# Melbourne Church of Christ

ABN: 24 111 933 325

## Directors' Report

For the Year Ended 31 March 2022

Your directors present their report on the Company for the financial year ended 31 March 2022.

### (a) Directors

The names of each person who has been a director during the year and to date of this report are:

Ray Cheng;  
Matt Beanland;  
Cynthia Voon.

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

The principal activities of the Church during the financial year were to provide religious services.

The Church's short term objectives are to:

- Conduct a religious organisation consistent with the Church's purpose.

The Church's long term objectives are to:

- Conduct a religious organisation consistent with the Church's purpose.

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

- To implement the goals and strategies as developed by the eldership from time to time.

### Key Performance Measures

The Company measures its actual financial performance against budgeted financial performance.

### Members' Guarantee

The Church is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Church is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Church.

### Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 31 March 2022 has been received and can be found on page 14 of the financial report.

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

Director: .....  ..... Dated: 11 Aug 2022

Director: .....  ..... Dated: 11 Aug 2022

# Melbourne Church of Christ

ABN: 24 111 933 325

## Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 31 March 2022

	Note	2022 \$	2021 \$
Revenue	2	722,222	690,220
Employee benefits expense		(538,962)	(523,130)
Donations	3	(73,250)	(95,618)
Rental expense		(14,754)	(1,118)
Sundry expenses		(16,487)	(7,275)
Travel - domestic		(10,114)	(6,939)
Consulting fees		(14,056)	(12,336)
Telephone and fax		(9,954)	(9,088)
Insurance		(2,616)	(2,907)
Other expenses		-	(2,280)
<b>Net Surplus/(Deficit) for the year</b>		<b>42,029</b>	<b>29,529</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total surplus and other comprehensive income</b>		<b>42,029</b>	<b>29,529</b>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

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## Statement of Financial Position

As at 31 March 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	258,771	185,049
Trade and other receivables	5	3,550	29,229
Financial assets	6	706,246	701,619
<b>Total current assets</b>		<b>968,567</b>	915,897
<b>TOTAL ASSETS</b>		<b>968,567</b>	915,897
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	20,599	23,942
Short-term provisions	8	49,805	35,821
<b>Total current liabilities</b>		<b>70,404</b>	59,763
<b>TOTAL LIABILITIES</b>		<b>70,404</b>	59,763
<b>NET ASSETS</b>		<b>898,163</b>	856,134
<b>EQUITY</b>			
Retained surpluses		898,163	856,134
<b>TOTAL EQUITY</b>		<b>898,163</b>	856,134

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

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## Statement of Changes in Equity

For the Year Ended 31 March 2022

### 2022

	Retained Surpluses	Mission Reserve	Workcover Reserve	Total
	\$	\$	\$	\$
Balance at 1 April 2021	856,134	-	-	856,134
Surplus/(Deficit) for the year	42,029	-	-	42,029
Balance at 31 March 2022	898,163	-	-	898,163

### 2021

	Retained Surpluses	Mission Reserve	Workcover Reserve	Total
	\$	\$	\$	\$
Balance at 1 April 2020	743,192	49,952	33,461	826,605
Surplus/(Deficit) for the year	29,529	-	-	29,529
Transfers to and from reserves	83,413	(49,952)	(33,461)	-
Balance at 31 March 2021	856,134	-	-	856,134

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

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## Statement of Cash Flows

For the Year Ended 31 March 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other partners	759,799	695,982
Payments to suppliers and employees	(686,078)	(657,666)
Interest received	4,628	6,551
Net cash provided by/(used in) operating activities	9 <u>78,349</u>	<u>44,867</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption/(Placement) of term deposits	<u>(4,627)</u>	(6,551)
Net cash used by investing activities	<u>(4,627)</u>	(6,551)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash held	73,722	38,316
Cash and cash equivalents at beginning of year	185,049	146,733
Cash and cash equivalents at end of financial year	4 <u>258,771</u>	<u>185,049</u>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 1 Summary of Significant Accounting policies

#### (a) General information

The financial statements cover Melbourne Church of Christ as an individual entity, incorporated and domiciled in Australia. Melbourne Church of Christ is a company limited by guarantee.

#### Basis of preparation

#### Financial Reporting Framework

The directors have prepared the special purpose financial statements on the basis that the Church is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-For-Profit Commission Regulations 2013*. The Church is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-For-Profit Commission Act 2012* and the *Australian Charities and Not-For-Profit Commission Regulations 2013* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

#### Statement of Compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, except for those specifically described below, and the disclosure requirements of Accounting Standards 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.

The requirements set out in AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures have not been complied with as the directors have not made an assessment to indicate that it does not have any subsidiaries, associates or joint ventures.

The recognition and measurement requirements that have not been complied with include those specified in AASB 119: Employee Benefits. The material accounting policies adopted in the special purpose financial statements set out in Note 1(d) indicate how the recognition and measurement requirements in Australian Accounting Standards have not been complied with.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 1 Summary of Significant Accounting policies continued

#### (b) Revenue

The Church has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income for Not-for-Profit Entities.

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Church expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Church have significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### **Tithes and Offerings**

Tithes, offerings and other gifts are recognised as revenue when they are received.

#### **Interest Revenue**

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend and trust distribution revenue is recognised when the right to receive a dividend or distribution has been established.

#### **Trust Distributions**

Trust distributions are recognised as revenue when distributions are received.

#### **Investment Income**

Investment income is recognised on receipt.

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

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 1 Summary of Significant Accounting policies continued

#### (c) Financial instruments

##### Initial recognition and measurement

Financial assets are recognised when the Church becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Church commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

##### Financial Assets

On initial recognition, the Church initially recognises financial assets as fair value through profit or loss.

##### Classification and subsequent measurement

Financial Assets

Financial assets are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Church no longer has any significant continuing involvement in the risks and benefits associated with the asset.

#### (d) Employee provisions

Provision is made for the Church's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

The Church does not comply with the recognition and measurement requirements set out in AASB119 Employee Benefits. Provision for long service leave is accrued after 7 years of service, without considering the measurement of probability and discounting effects on the long service leave provision.

Contributions are made by the Church to an employee superannuation fund and are charged as expenses when incurred.

#### (e) Cash and cash equivalents

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 1 Summary of Significant Accounting policies continued

#### (f) Trade and other receivables

Trade and other receivables include franking credits claimable and amounts due from member trust distributions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Church during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

#### (h) Impairment

At the end of each reporting period, the Church reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the statement of income and expenditure and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

#### (i) Income taxes

No current or deferred income tax assets or liabilities have been raised by the Company as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The Church is registered with the Australian Charities and Not-For-Profits Commission as a religious charity.

#### (j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (k) Melbourne Church of Christ Trust

All of the assets and liabilities of the Melbourne Church of Christ Trust were transferred to the Church as at 1 January 2005, when the entity was incorporated and took over control of the Church.

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 1 Summary of Significant Accounting policies continued

#### (I) New Accounting Standards for Application in Future Periods

The Church does not anticipate any change in accounting policy in the future that will have any material effect on the Church's financial statements.

### 2 Revenue

	2022	2021
	\$	\$
- Tithes and offerings	612,260	541,159
- Trust distribution income	32,998	33,803
- Interest income	4,628	6,551
- Specific collections	69,046	85,772
- Government stimulus income	-	20,000
- Investment income	3,290	2,935
	<u>722,222</u>	<u>690,220</u>

### 3 Expenses

Donations expense		
Missions donations	70,000	91,218
Benevolent donations	3,250	4,400
	<u>73,250</u>	<u>95,618</u>

### 4 Cash and cash equivalents

Cash at bank	258,771	185,049
	<u>258,771</u>	<u>185,049</u>

### 5 Trade and other receivables

CURRENT		
GST receivable	3,550	2,674
Other receivable	-	26,555
	<u>3,550</u>	<u>29,229</u>

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 6 Financial assets

	2022	2021
	\$	\$
CURRENT		
Term deposits	706,246	701,619
Total current assets	<u>706,246</u>	<u>701,619</u>

### 7 Trade and other payables

CURRENT		
Trade payables	7,480	9,262
Other payables	13,119	14,680
	<u>13,119</u>	<u>14,680</u>
	<u>20,599</u>	<u>23,942</u>

### 8 Provisions

CURRENT		
Employee provisions	49,805	35,821
	<u>49,805</u>	<u>35,821</u>

### 9 Cash Flow Information

#### Reconciliation of cashflow from operations with surplus/(deficit) for the year

Net surplus / (deficit) for the year	42,029	29,529
<b>Non-cash flows in surplus</b>		
Decrease in fair value of financial assets	-	2,280
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	25,679	(818)
Increase/(decrease) in current payables	(3,343)	4,855
Increase/(decrease) in current provisions	13,984	9,021
Cashflow from operations	<u>78,349</u>	<u>44,867</u>

# Melbourne Church of Christ

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## Notes to the Financial Statements

For the Year Ended 31 March 2022

### 10 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of auditor		
- Auditing or reviewing the financial statements	5,800	5,600
- Other services	1,000	1,000
<b>Total</b>	<b>6,800</b>	<b>6,600</b>

### 11 Subsequent Events

The COVID-19 pandemic began in March 2020 and continues to have a global economic impact in both Australia and overseas. While the future effect of the pandemic on the Church is unknown, Significant government restrictions on movement and public gatherings in the State of Victoria in place from August to October 2021 have not significantly impacted the Church's ability to maintain operations. Therefore, despite the impact of the pandemic, and future uncertainty, the Board of Directors does not believe that COVID-19 will prevent the Church from operating as a going concern.

### 12 Church's Details

The registered office of the Church is:  
Melbourne Church of Christ  
82 Rathmullen Quadrant  
Doncaster, VIC 3108

# Melbourne Church of Christ

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## Directors' Declaration

In accordance with a resolution of the directors of the company, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors declare that, in the director's opinion:

- there are reasonable grounds to believe that the Church will be able to pay its debts as and when they become due and payable;
- the financial report give a true and fair view of the financial position of the company's financial position as at 31 March 2022 and of its performance for the year then ended; and
- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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



Director .....



Director .....

Dated: 11 Aug 2022

# Melbourne Church of Christ

ABN: 24 111 933 325



## Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

  
Saward Dawson



Jeffrey Tulk  
Partner

Dated: 15 August 2022

Blackburn, VIC

## Melbourne Church of Christ

ABN: 24 111 933 325

### Independent Audit Report to the members of Melbourne Church of Christ

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Melbourne Church of Christ, which comprises the statement of financial position as at 31 March 2022, the statement of income and expenditure 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 Church 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 Church's financial position as at 31 March 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

#### Basis of 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 Church in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

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.

## Melbourne Church of Christ

ABN: 24 111 933 325

### Independent Audit Report to the members of Melbourne Church of Christ

#### Responsibilities of Directors for the Financial Report

The directors of the Church are responsible for the preparation of a financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-For-Profit Commission Act 2012* and the *Australian Charities and Not-For-Profit Commission Regulation 2013* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 directors are responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Church or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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.

As part of an audit in accordance with the 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 Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Melbourne Church of Christ

ABN: 24 111 933 325

### Independent Audit Report to the members of Melbourne Church of Christ

- Conclude on the appropriateness of the directors' 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 Church'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 Church 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 the directors 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.



**Saward Dawson**



Jeffrey Tulk  
Partner

Dated: 15 August 2022

Blackburn, VIC