

Melbourne Church of Christ

ABN: 24 111 933 325

Financial Statements

For the Year Ended 31 March 2023

Melbourne Church of Christ

ABN: 24 111 933 325

For the Year Ended 31 March 2023

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Melbourne Church of Christ

ABN: 24 111 933 325

Directors' Report

For the Year Ended 31 March 2023

Your directors present their report on the Company for the financial year ended 31 March 2023.

(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 - *Resigned 11 September 2022*
Tim Grandy - *Appointed 11 September 2022*

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

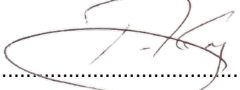
The Church is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Church is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Church.

Auditor's Independence Declaration

The Reviewer's Independence Declaration for the year ended 31 March 2023 has been received and can be found on page 15 of the financial report.

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

Director:  Dated: 8th September 2023

Director:  Dated: 8th September 2023

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Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 31 March 2023

	Note	2023 \$	2022 \$
Revenue	2	728,569	722,222
Employee benefits expense		(546,282)	(538,962)
Donations	3	(82,000)	(73,250)
Rental expense		(80,143)	(14,754)
Sundry expenses		(17,468)	(16,487)
Travel - domestic		(47,014)	(10,114)
Consulting fees		(10,326)	(14,056)
Telephone and fax		(7,496)	(9,954)
Insurance		(3,212)	(2,616)
Net (Deficit)/Surplus for the year		<u>(65,372)</u>	<u>42,029</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total surplus and other comprehensive income		<u>(65,372)</u>	<u>42,029</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 31 March 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	188,284	258,771
Trade and other receivables	5	1,962	3,550
Financial assets	6	713,440	706,246
Total current assets		903,686	968,567
TOTAL ASSETS		903,686	968,567
LIABILITIES			
Current liabilities			
Trade and other payables	7	19,461	20,599
Short-term provisions	8	51,434	49,805
Total current liabilities		70,895	70,404
TOTAL LIABILITIES		70,895	70,404
NET ASSETS		832,791	898,163
EQUITY			
Retained surpluses		832,791	898,163
TOTAL EQUITY		832,791	898,163

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 March 2023

2023

	Retained Surpluses	Total
	\$	\$
Balance at 1 April 2022	898,163	898,163
Surplus/(Deficit) for the year	(65,372)	(65,372)
Balance at 31 March 2023	<u>832,791</u>	<u>832,791</u>

2022

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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 March 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and other partners	749,832	759,799
Payments to suppliers and employees	(820,318)	(686,078)
Interest received	7,193	4,628
Net cash provided by/(used in) operating activities	9 <u>(63,293)</u>	<u>78,349</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption/(Placement) of term deposits	<u>(7,194)</u>	<u>(4,627)</u>
Net cash used by investing activities	<u>(7,194)</u>	<u>(4,627)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash held	(70,487)	73,722
Cash and cash equivalents at beginning of year	258,771	185,049
Cash and cash equivalents at end of financial year	4 <u><u>188,284</u></u>	<u><u>258,771</u></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 2023

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.

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Notes to the Financial Statements

For the Year Ended 31 March 2023

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).

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Notes to the Financial Statements

For the Year Ended 31 March 2023

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.

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting policies continued

(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.

(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.

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting policies continued

(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.

(l) 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.

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Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Revenue

	2023	2022
	\$	\$
- Tithes and offerings	624,942	612,260
- Trust distribution income	11,000	32,998
- Interest income	7,193	4,628
- Specific collections	85,434	69,046
- Investment income	-	3,290
	<u>728,569</u>	<u>722,222</u>

3 Expenses

Donations expense		
Missions donations	80,000	70,000
Benevolent donations	2,000	3,250
	<u>82,000</u>	<u>73,250</u>

4 Cash and cash equivalents

Cash at bank	188,284	258,771
	<u>188,284</u>	<u>258,771</u>

5 Trade and other receivables

CURRENT		
GST receivable	1,962	3,550
	<u>1,962</u>	<u>3,550</u>

Melbourne Church of Christ

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Notes to the Financial Statements

For the Year Ended 31 March 2023

6 Financial assets

	2023	2022
	\$	\$
CURRENT		
Term deposits	713,440	706,246
Total current assets	<u>713,440</u>	<u>706,246</u>

7 Trade and other payables

CURRENT		
Other payables	14,493	13,119
Accrued Expenses	4,968	7,480
	<u>19,461</u>	<u>20,599</u>
	<u>19,461</u>	<u>20,599</u>

8 Provisions

CURRENT		
Employee provisions	51,434	49,805
	<u>51,434</u>	<u>49,805</u>

9 Cash Flow Information

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

Net surplus / (deficit) for the year	(65,372)	42,029
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Non-cash flows in surplus

Changes in assets and liabilities

(Increase)/decrease in receivables	1,588	25,679
Increase/(decrease) in current payables	(1,138)	(3,343)
Increase/(decrease) in current provisions	1,629	13,984
Cashflow from operations	<u>(63,293)</u>	<u>78,349</u>

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Notes to the Financial Statements

For the Year Ended 31 March 2023

10 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of Auditor		
- Auditing or reviewing the financial statements	4,250	5,800
- Preparation of the financial statements	1,000	1,000
Total	5,250	6,800

11 Subsequent Events

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

12 Church's Details

The registered office of the Church is:
Melbourne Church of Christ
54 Centre Dandenong Rd
Cheltenham, VIC 3192

Melbourne Church of Christ

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Directors' Declaration

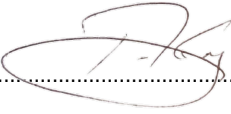
In accordance with a resolution of the directors of the company, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

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 2023 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 2022.

Director 

Director 

Dated: 8th September 2023

Melbourne Church of Christ

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Reviewer's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2023 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.


Saward Dawson



Helen Boucher
Director

Dated: 8 September 2023

Blackburn, VIC

Melbourne Church of Christ

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Independent Review Report to the members of Melbourne Church of Christ

Report on the Financial Report

We have reviewed 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 2023, 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.

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 2022* 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.

Assurance Practitioner's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. We have conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2415 - Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including: giving a true and fair view of the registered financial position as at 31 March 2023 and its performance for the period ended on that date; and complying with the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2022. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

A review of financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independent Review Report to the members of Melbourne Church of Christ

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Melbourne Church of Christ does not satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of the association's financial position as at 31 March 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) 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 2022.

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* and the Church's constitution. As a result, the financial report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.



Saward Dawson



Helen Boucher
Director

Dated: 8 September 2023

Blackburn, VIC