

# Melbourne Church of Christ

ACN 111 933 325

## Annual Report 2018 to Members

Including Financial Statements

## Contents

From the Directors.....	3
Staff Report.....	4
Budget and Financial Analysis.....	5
Statements.....	5
Analysis.....	6
Travel, Events and Training.....	8
Missions.....	9
Summary.....	9
SPA Missions.....	12
Benevolence.....	13
Melbourne Church of Christ Miscellaneous Trust.....	14
Events.....	14
Teens.....	14
Teens and Events Declaration.....	15
General Contributions and Cash Collections.....	16

The Statutory Reports and Financial Statements as audited by Seward Dawson are included in their entirety.

## From the Directors

The directors of the Melbourne Christ are grateful for the opportunity to report to members for the 2018 period commencing 1 Apr 2017 and ending 30 Mar 2018.

Melbourne Church of Christ is incorporated as a company limited by guarantee. This report contains our audited statutory accounts and a more consumable report to members, including coverage of the Miscellaneous Trust and Missions.

Personally I'm honoured to once again serve with Ray Cheng who continues as Chair of Directors, and to be recently joined by the enthusiastic and capable Cynthia Voon. I'd like to thank Sam Percy, Paul Kohler and now Louise Veenman for their diligent and excellent service as directors noting that Louise is finishing at the close of the 2018 AGM.

Our Church is a bit like an expandable bus we are all driving in to get to heaven. We want to make lots of room on the bus, welcome all aboard and make sure we are heading in the right direction! As financial supporters of our church we all have a role to play keep our bus in motion.

Our God is great, and we are all called to glorify Him and to serve in any way we are able. It is humbling that He doesn't actually need us at all but has chosen despite our weaknesses to use us to bring His message of love and offer of redemption to anyone and everyone.

*Isaiah 52:7*

*How beautiful on the mountains*

*are the feet of those who bring good news,*

*who proclaim peace,*

*who bring good tidings,*

*who proclaim salvation,*

*who say to Zion,*

*“Your God reigns!”*

I'm proud to be part of a church that is centred on God's mission.

Your brother in Christ,

Matt Beanland

## Staff Report

The Melbourne staff is delighted to be supported by the Church in the exercise of the vocation that we love – seeking and saving the lost souls of Melbourne.

We would like to welcome those added into our Church family through baptism into Jesus since the last AGM: Natalya Cheng; Enel Tan; Cynthia Febe; Evalia Whitney; Wallace Chan; Audrey Wu; April Gilroy-Scott; Camilo Cardenas; Danielle Killick; Oliver Tang; Angeline Arseng; Dina Hutajulu; Lloyd & Janice Tan; Fanny Wirawan; Esther Jose; Shavi Paliyaralalage Don; David Ajetomobi; Thomas Divan; Patrick Quinton; Dean Tang Pong; Nabila Buhary; Abigail Merry; Caren Johnson; Rosie Bautista; Claudine Lestarina; Bella Pang; Carmen So; Hajie Mariano.

We would also like to welcome the following who have moved in from other churches: Michael & Jenny Whytlaw; Narelle Lethlean; Helena Lethlean; Lemon Ho; Vincent Xu; Kamm Wu; Anna Acevedo.

It's exciting to have the following Brothers and Sisters restored to our fellowship: Quinton & Magda Visser; Foonmi Ajetomobi.

The church has been delighted to celebrate the birth of Alana Varga, Daniel Visser, Cayson Quek, Aisea Naa; Melissa Mansour, Lydia Grace Karpouzis and Marco Russi.

There have been two men's nights this year hosted at Monash Caulfield Campus. The first on the subject of the insidious danger of pornography and the second on truly being a godly man.

We are excited to have new staff members, Geomer Manalastas and Rachel Santosh. Both are working part time on Campus. We wish them great success in all that they do. Cassidy Smith from the Columbia SC Church has been serving the Church in Campus and Teens on a one-year challenge. We are thankful for their service.

We farewelled Brandon and Megan Vassallo who have departed for further Ministry Training in Virginia US. Also missed are the Percys who have settled in Perth. We wish them all well.

The staff would like to sincerely thank the hard work & dedication of the Manalastas & Beanlands in leading the Kids Kingdom ministry. Towards the end of the year Louie and Noemi Arcilla stepped forward with a team to replace the Beanlands. Massive thanks to Matt and Elaine for their dedication and hard work leading Kids Kingdom for so long. We continue to greatly appreciate those who serve in this and other ministries.

Our thanks to the Directors who ensure that the church is above reproach legally. They work diligently behind the scenes and the Staff is thankful for the sacrifices they make.

Once again your staff is truly honoured to serve God's Church in Melbourne. Thank you for supporting us.

On behalf of the Staff



Peter Boardman

## Budget and Financial Analysis

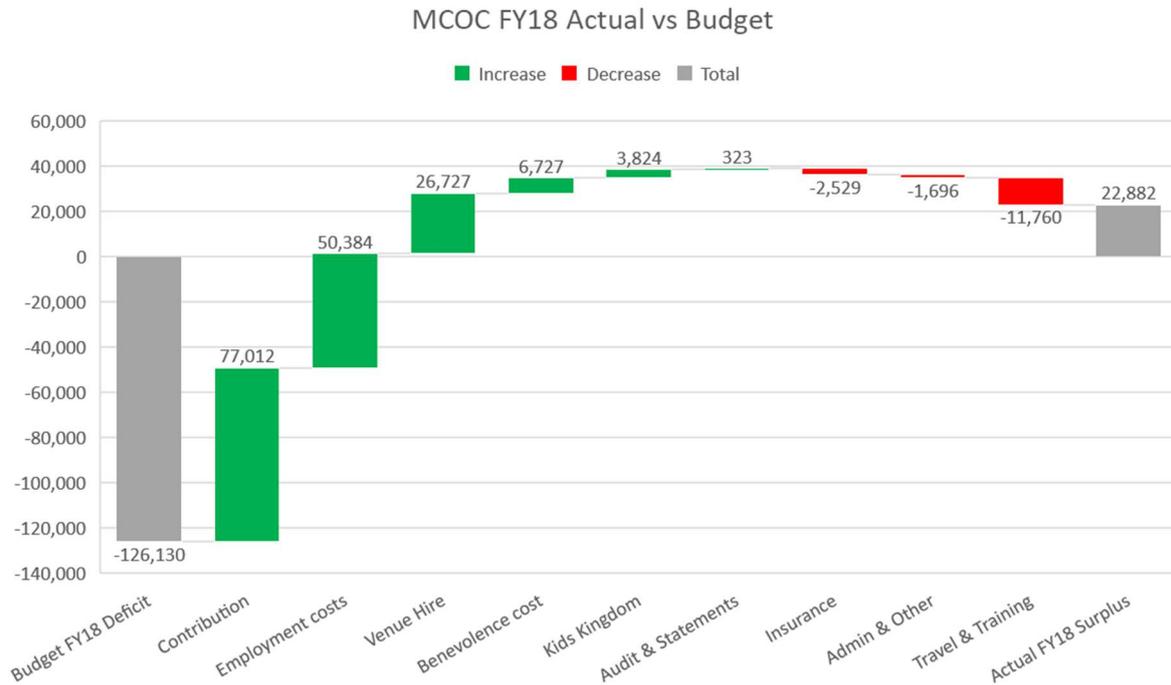
### Statements

Shown below is our traditional presentation of the non-audited informal income and expense statement for the Melbourne Church of Christ with the 2017/18 and 2018/19 budgets.

<b>Melbourne Church of Christ</b>				
Non-audited Informal Income and Expenses Statement and Budget comparison				
	<b>Actual FY18</b>	<b>Budget FY18</b>	<b>Variance</b>	<b>Budget</b>
	\$	\$	\$	FY19
				\$
Contribution	<b>612,243</b>	520,000	92,243	565,000
Benevolence	<b>2,070</b>	4,800	-2,730	3,660
Interest	<b>13,555</b>	13,000	555	13,000
Other Income	<b>8,944</b>	22,000	-13,056	20,000
<b>Total Income</b>	<b>636,812</b>	559,800	77,012	601,660
Salaries	<b>441,889</b>	477,011	35,123	404,342
Superannuation	<b>40,125</b>	55,386	15,261	38,101
Administration	<b>7,001</b>	8,000	999	7,177
Relocation	<b>2,261</b>	1,000	-1,261	2,000
Audit & Statements	<b>6,400</b>	6,723	323	2
Insurance	<b>6,544</b>	4,015	-2,529	5,714
Travel & Training	<b>38,396</b>	26,636	-11,760	29,157
Venue Hire	<b>41,483</b>	68,210	26,727	42,530
Events	<b>8,780</b>	5,323	-3,457	9,935
Communication	<b>7,664</b>	9,496	1,832	9,727
Office Expenses	<b>1,164</b>	4,297	3,133	1,216
Fees	<b>1,931</b>	966	-965	1,980
Gifts	<b>2,415</b>	1,258	-1,158	2,476
Kids Kingdom	<b>350</b>	4,174	3,824	359
Benevolence cost	<b>5,273</b>	12,000	6,727	5,406
Depreciation	<b>1,627</b>	933	-693	0
Other	<b>628</b>	500	-128	831
<b>Total Expenses</b>	<b>613,930</b>	685,930	72,000	560,951
<b>Surplus / - Deficit</b>	<b>22,882</b>	-126,130	149,012	40,708

This report is not prepared in accordance with the Accounting Standards in accordance with the Corporations Act. Please refer to the appendix for accounting statements that satisfy the requirement of the Australian Charities and Not-For-Profit Commission Act 2012. Benevolence has been included on this report. Missions activities have been excluded from this statement, but are disclosed separately in this report.

Analysis



The analysis which follows is based in the Non-audited Informal Income and Expenses statement. The budgeted deficit for FY18 did not eventuate and FY18 ended up in surplus by \$23K.

Contributions for 2017/18 were above the expected. The surplus over the budget was driven by additional one-off contributions which were not anticipated.

Employment costs compared to budget were lower than we had expected due to a timing of when new staff came on board and from savings with staff moving overseas.

Venue costs were lower than expected with a saving of \$27k as we have reduced the spend on midweek venues with the introduction of the one week on, one week off midweeks.

Travel costs were higher than expected with some unbudgeted spend occurring during the year.

Travel costs are often influenced by the timing, scheduling and frequency of regional and international events.

Administration costs have continued to be relatively low due to the combination of outsourcing and utilisation of a part-time administrator.

The church remains committed to identifying and bringing onto staff appropriate ministry people to build for the future.

### Consideration of the Statutory Accounts

The surplus of \$22,882 shown in the Non-audited Informal Income and Expenses statement differs from the statutory “deficit from ordinary activities” of \$233,687 in the Statutory Accounts due to the inclusion of missions activity. If the church receives more missions monies than spent in a given year, then the practical net effect is to increase the reported surplus of the church. This year the missions contribution also included missions contributions from other churches in the SPA region. This was due to the Melbourne church providing a centralised role for distributing missions contributions to growing churches in the SPA region. This surplus of missions monies is taken to a missions reserve.

The statutory accounts also show negative change in the value of investments held by the church, which is not shown here. The prior year had a positive change to the investments held by the church. The responsible entity’s declaration, directors report and auditors report cover only the statutory reports and financial statements.

### Financial Assets and Investments

The directors have endeavoured to invest cash held by the church in low risk manner and to ensure that cash requirements can be met quickly. Most of the investible cash of the church is required to fund operating expenditure, either now or over the next few years. While the church currently has a large amount of surplus funds, it is expected that a significant portion of these retained funds will be spent over the next few years for ministry purposes.

Most investible monies are held in term deposits. The church uses a mix of month based term deposits for the majority of invested money.

A portion of the assets of the church are required to be held to support long term liabilities and contingent liabilities of the church. The directors have sought to increase the rate of return on assets held against these, in equity linked investments and convertible notes and similar investments. Currently the church holds four investments: Macquarie Bank Income Securities, Suncorp Income Securities, interests in a Hunter Hall value investment fund and an Aurora absolute return fund.

## Travel, Events and Training

The Travel & Training and Events funding is determined by the annual budget process. The Church understands the importance of remaining inter-dependent with like-minded churches and that recognise that travel is a key enabler. Within these limits and the guidelines below the use of the travel and training funds is at the discretion of the Board of Governance.

Travel includes tolls, staff travel outside of Melbourne, and expenses related to invited ministry visitors, although some invited ministry visitors elect to pay some or all of their expenses.

Training includes course fees for staff training, as well as materials for staff or church related training. Travel and Training funding is dominated by travel expenses, which in turn is dominated by international then domestic airfares. International travel costs are driven by the need to build relationships with other churches throughout the world and Mike Vassallo's position as a delegate in the region to International Leader's Conferences and scheduling tends to be multi-year in nature.

Any Travel and Training expense under budget is carried over into the next year, increasing the funds available.

	<b>FY18</b>	<b>FY17</b>
<b>Travel and Training Open</b>	<b>\$17,789</b>	\$9,446
Travel and Training Budget	<b>\$26,636</b>	\$30,924
Travel Spending – Melbourne Related	<b>\$24,795</b>	NR
Travel Spending – Adelaide Related	<b>\$2,401</b>	NR
Travel Spending – Furlough	<b>\$12,627</b>	\$0
<b>Travel Spending – Subtotal</b>	<b>\$39,823</b>	\$21,008
<b>Training Spending</b>	<b>\$981</b>	\$1,573
<b>Total Travel and Training Spending</b>	<b>\$40,804</b>	\$22,581
<b>Travel and Training Close</b>	<b>\$3,621</b>	\$17,789

In FY18 travel expenses were higher than typical due to a one-off furlough. This fully consumed the budget and reduced the amount carried over to FY19.

## Missions

Melbourne Church of Christ takes up Special Contribution for general Missions, and also accepts directed contributions for missions in Adelaide.

Members can directly deposit into the Missions bank account for general missions:

Name: Melbourne Church of Christ Special  
 BSB: 633-000  
 Account No: 146173455  
 PayID: [missions@melbournecoc.org](mailto:missions@melbournecoc.org)

Additionally, members can direct Missions support to support Adelaide:

Name: Melbourne Church of Christ Adelaide  
 BSB: 633-000  
 Account No: 159303932  
 PayID: [adelaide@melbournecoc.org](mailto:adelaide@melbournecoc.org)

## Summary

Members contributed to Missions in FY18, and Melbourne received contributions from members and other churches for Adelaide.

Melbourne made distributions directly to PNG and Fiji, and contributed to PNG and Fiji through Sydney as administrator. Melbourne also had missions expenses related to Perth relocation and made distributions to Perth regarding transitional arrangements.

	FY18	FY17
<b>Missions Total (Opening)</b>	<b>\$218,696</b>	<b>\$169,348</b>
Member undirected missions contributions	\$57,514	\$77,601
Member Adelaide directed missions contributions	\$6,000	\$11,000
AMS funds received for Adelaide	\$7,500	NR
SPA Missions funds received for Adelaide	\$22,500	\$0
General contribution reallocated to missions	\$50,000	\$0
<b>Total Missions Contribution</b>	<b>\$143,514</b>	<b>\$88,601</b>
Direct distribution to PNG	\$110,030	\$30,000
Direct distribution to Fiji	\$21,030	\$6,425
SPA Missions funds contributed to Sydney for PNG & Fiji	\$46,000	\$0
Adelaide employment	\$111,675	NR
Other Adelaide church support	\$0	\$2,828
Perth transitional distribution	\$16,000	\$0
To/from Perth relocations	\$24,767	\$0
<b>Total Missions Distributions</b>	<b>\$329,502</b>	<b>\$39,253</b>
Funds reclassified for missions reserve	\$92,544	\$0
<b>Missions Reserves Closing</b>	<b>\$125,252</b>	<b>\$218,696</b>

Melbourne Church of Christ – Annual Report 2018

General funds were reclassified to missions reserve, and the missions reserve. This reserve was split at FY18 close to include reserves held specifically for Perth and Adelaide.

<b>Missions Reserve</b>	<b>FY18 Close</b>	<b>Purpose</b>
Missions General Reserve	\$52,252	
Missions Perth Reserve	\$28,000	transitional arrangements
Missions Adelaide Reserve	\$45,000	employment expenses

PNG

In early FY18 Melbourne made the AMS 2016 for 2017 distribution to PNG. This was funded \$50,000 from Melbourne general funds, \$45,000 from Melbourne missions and the balance \$15,030 from AMS.

<b>Period</b>	<b>Donor</b>	<b>Donee</b>	<b>Administrator</b>	<b>Pledged</b>	<b>Distributed</b>
FY18	Various	PNG	Melbourne for AMS	N/A	\$110,030

In late FY18 Melbourne made our SPA Missions 2017 for 2018 contribution to PNG via Sydney as administrator. We have pledged the same 2018 for 2019 and expect to contribute this in FY19 after special mission's collection.

<b>Period</b>	<b>Donor</b>	<b>Donee</b>	<b>Administrator</b>	<b>Pledged</b>	<b>Contributed</b>
FY18	Melbourne	PNG	Sydney	\$40,000	\$40,000
FY19	Melbourne	PNG	Sydney	\$40,000	

Fiji

In early FY18 Melbourne made the AMS 2016 for 2017 distribution to Fiji. Of this \$14,030 was funded from AMS and distributed directly to PNG, and \$7,000 was funded from Melbourne missions and distributed to Sydney for US to Fiji relocations.

<b>Period</b>	<b>Donor</b>	<b>Donee</b>	<b>Administrator</b>	<b>Pledged</b>	<b>Distributed</b>
FY18	Various	Fiji	Melbourne	N/A	\$21,030

In late FY18 Melbourne made our SPA Missions 2017 for 2018 contribution to Fiji via Sydney as administrator. We have pledged the same 2018 for 2019 and expect to contribute this in FY19 after special mission's collection.

<b>Period</b>	<b>Donor</b>	<b>Donee</b>	<b>Administrator</b>	<b>Pledged</b>	<b>Contributed</b>
FY18	Melbourne	Fiji	Sydney	\$6,000	\$6,000
FY19	Melbourne	Fiji	Sydney	\$6,000	

Perth

Melbourne funded recent staff relocation to and from Perth through missions - the one off cost was \$24,767.

Melbourne pledged \$44,000 over 24 months to support Perth through this staff transition. These arrangements are outside of SPA Missions and are reported on our FY basis:

<b>Period</b>	<b>Donor</b>	<b>Donee</b>	<b>Administrator</b>	<b>Pledged</b>	<b>Contributed</b>
FY18	Melbourne	Perth	Melbourne	\$16,000	\$16,000
FY19	Melbourne	Perth	Melbourne	\$22,000	
FY20	Melbourne	Perth	Melbourne	\$6,000	

Adelaide

Melbourne continued to employ two full-time staff in Adelaide through FY18 through a combination of SPA Missions funding, additional general missions and directed Melbourne member contributions. Melbourne has separately funded Adelaide related travel, training and administrative expenses.

<b>Period</b>	<b>Income</b>	<b>Employment Expense</b>	<b>Bank Closing</b>	<b>Reserve Closing</b>
FY18 - Actual	\$59,443	\$111,675	\$22,702	\$45,000
FY19 – Forecast	\$24,375	\$115,000	-	\$43,125

For FY19, Melbourne expects to expend its \$45,000 Adelaide reserve (comprising three prior year Melbourne 'AMS' contributions to Adelaide not yet distributed) and the \$22,702 bank balance, to receive outstanding SPA Missions 2017 for 2018 of \$10,000, and to use 1/4 of SPA Missions 2018 for 2019 pledges (1/4 of \$57,500 = \$14,375), totalling \$69,375. The remainder of employment and related expenses is unfunded.

At end FY19 the reserve should be comprised of the remaining  $\frac{3}{4}$  of the SPA Missions funds 2018 for 2019 assuming all is collected.

## SPA Missions

Melbourne supports SPA Missions in two ways:

- contributing to support of PNG and Fiji Missions via Sydney as administrator
- contributing to support of Adelaide, and acting as administrator for other SPA church contributions

SPA Missions is accounted for on a calendar year basis and is collected each year for use the next year.

### SPA Missions 2017 Contribution for 2018

Reporting of SPA Mission pledges involving Melbourne as Donor or Administrator:

Period	Donor	Donee	Administrator	Pledged	Contributed FY18
2017 for 2018	Melbourne	Adelaide	Melbourne	\$15,000	\$15,000
2017 for 2018	Sydney	Adelaide	Melbourne	\$15,000	\$15,000
2017 for 2018	Brisbane	Adelaide	Melbourne	\$7,500	\$7,500
2017 for 2018	Auckland	Adelaide	Melbourne	\$5,000	\$0
2017 for 2018	Gold Coast	Adelaide	Melbourne	\$5,000	\$0
2017 for 2018	Melbourne	PNG	Sydney	\$40,000	\$40,000
2017 for 2018	Melbourne	Fiji	Sydney	\$6,000	\$6,000

At the time of writing this report the pledged contributions from Gold Coast and Auckland for support of Adelaide were outstanding.

### SPA Missions 2018 Contribution for 2019

Summary of SPA Mission pledges involving Melbourne as Donor or Administrator:

Period	Donor	Donee	Administrator	Pledged
2018 for 2019	Melbourne	Adelaide	Melbourne	\$20,000
2018 for 2019	Sydney	Adelaide	Melbourne	\$20,000
2018 for 2019	Brisbane	Adelaide	Melbourne	\$7,500
2018 for 2019	Auckland	Adelaide	Melbourne	\$5,000
2018 for 2019	Gold Coast	Adelaide	Melbourne	\$5,000
2018 for 2019	Melbourne	PNG	Sydney	\$40,000
2018 for 2019	Melbourne	Fiji	Sydney	\$6,000

## Benevolence

Benevolence income is funded by direct contribution by members to the benevolence bank account and by general contributions.

Benevolence outgoings supported church members in dire financial need, as identified by church staff and supervised by the Board of Governance.

	<b>FY18</b>	<b>FY17</b>
<b>Benevolence Open (Reserve)</b>	<b>\$7,760</b>	\$15,816
Benevolence funds collected	<b>\$2,070</b>	\$3,964
Ordinary funds contributed	<b>\$3,549</b>	\$0
<b>Total Benevolence Contribution</b>	<b>\$5,619</b>	\$3,964
<b>Total Benevolence Distribution</b>	<b>\$13,032</b>	\$12,020
<b>Benevolence Bank Account Closing</b>	<b>\$930</b>	\$583
<b>Benevolence Closing (Reserve)</b>	<b>\$0</b>	\$7,760

In FY18 the church consumed its benevolence reserve and reclassified ordinary funds to meet benevolence needs.

The directors urge all members to excel in benevolence, so the world can see the nature of Christ. Members can directly deposit into the benevolence bank account

Name: Melbourne Church of Christ Benevolence

BSB: 633-000

Account No: 146173471

PayID: [benevolence@melbournecoc.org](mailto:benevolence@melbournecoc.org)

Members are also encouraged to actively support HOPE worldwide (Australia). The church collects for HOPE worldwide (Australia) as part of the regular Sunday envelope collections. HOPE worldwide (Australia) is a separate entity to the church and these items do not appear on the Church accounts.

## Melbourne Church of Christ Miscellaneous Trust

Throughout this section Melbourne Church of Christ Miscellaneous Trust will be abbreviated MCOCMT. The MCOCMT has the Church as its corporate trustee.

In accordance with the Trust Deed of the MCOCMT, the activities of the MCOCMT outlined below actively promoted the fellowship of the Christian religion, and the MCOCMT did not employ staff or hold church worship services.

The MCOCMT is not registered for the GST, so does not charge or claim GST.

### Events

Church Events run by the MCOCMT are varied. In FY18 a series of 3 Women's nights ran.

Church events use the "events account" for which the banking details are:

Name: Melbourne Church of Christ Miscellaneous Trust Events

BSB: 633-000

Account No: 146174982

PayID: [events@melbournecoc.org](mailto:events@melbournecoc.org)

### Women's Nights

- Total income received: \$1,275
- Total expenses incurred: \$1,013
- Surplus: \$ 263

### Church

No other movements of money between the MCOCMT and the church took place during the year.

### Position

- The balance of the MCOCMT events account on 1 April 2017 was \$7,587
- The balance of the MCOCMT events account on 31 Mar 2018 was \$7,849
- Over FY18 the MCOCMT events account increased by \$ 262

The entire balance of the MCOCMT events account is available to be used for future church events.

### Teens

The MCOCMT teens account is typically used for receiving and dispersing funds for teen retreats. Typically funds received come through parent deposits and teen fundraising. Teen fund-raising is done through a specific Bendigo account:

Name: Melbourne Church of Christ Miscellaneous Trust Teens

BSB: 633-000

Account No: 146174446

PayID: [teens@melbournecoc.org](mailto:teens@melbournecoc.org)

### Fiji Teen Camp

The SPA Teen Camp was held in Fiji in early 2018.

- Total income: \$53,154
- Total expenses: \$60,301
- Deficit: \$ 7,147

### Other

An amount of \$100 was incorrectly received related to a Sydney event and this was held at 31 Mar.

### Church

The church did not make payments to the trust in relation to teens events during the year.

### Position

The balance of the MCOCMT teens account on 1 April 2017 was	\$12,893
The balance of the MCOCMT teens account on 31 Mar 2018 was	\$ 5,846
Over FY18, the MCOCMT teens account decreased by	\$ 7,047

Discounting the \$100 payable to Sydney Events, \$5746 is available to be used for future teen events.

### Teens and Events Declaration

There are two divisions of the MCOCMT that operate separate bank accounts that can be operated by Authorised Officers in addition to the directors. These are the Teens and Events. Refer to section 6.1 on page 6 and section 6.2 on the previous page for detail regarding the activities of these divisions.

The Authorised Officers of the MCOCMT in FY18 were:

- Michael Vassallo (Events)
- Michael Vassallo on behalf of Aaron Arcilla (Teens).

### Declaration of the Authorised Officers of the Trust

In accordance with the trust deed of the MCOCMT, the division of the MCOCMT for which I am the responsible Authorised Officer:

- actively promoted the fellowship of the Christian religion, and
- did not employ staff or hold church worship services.

Authorised Officer (Events)



Authorised Officer (Teens)



## General Contributions and Cash Collections

The directors wish to make clear the usage of funds given in collections normally taken up on Sundays.

- Amounts placed in the collection bag, but **not** in an envelope marked Hope are received by the Church for the work of the church
- Amounts placed in the collection bag marked for Hope are banked to the credit of Hope Worldwide and do not pass through the Church's books.

The directors encourage regular giving by any means, many members find it convenient to give electronically.

MCOG Main (General Contribution)

BSB: 633-000

Account No: 146173406

PayID: [main@melbournecoc.org](mailto:main@melbournecoc.org)



## **Melbourne Church of Christ**

ABN: 24 111 933 325

### **Financial Statements**

For the Year Ended 31 March 2018

# Melbourne Church of Christ

ABN: 24 111 933 325

For the Year Ended 31 March 2018

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Directors' Report	1
Statement of Income and Expenditure and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Directors' Declaration	15
Auditor's Independence Declaration	16
Independent Audit Report	17

# Melbourne Church of Christ

ABN: 24 111 933 325

## Directors' Report

For the Year Ended 31 March 2018

Your directors present their report on the Church for the financial year ended 31 March 2018.

### 1. Directors

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

Paul Kohler (resigned 31 January 2018);  
Sam John Percy (resigned 28 March 2018);  
Ray Cheng;  
Louise Veenman;  
Matt Beanland (appointed 10 March 2018);  
Cynthia Voon (appointed 20 March 2018).

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 Church 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 2018 has been received and can be found on page 16 of the financial report.

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

Director:  ..... Dated: 22/7/2018

Director:  ..... Dated: 22/7/2018

# Melbourne Church of Christ

ABN: 24 111 933 325

## Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Ordinary revenue	2	711,001	802,369
Employee benefits expense		(596,840)	(413,486)
Donations	3	(215,332)	(100,023)
Rental expense		(41,483)	(48,725)
Sundry expenses		(23,899)	(25,881)
Travel - domestic		(39,823)	(14,467)
Consulting fees		(4,696)	(5,794)
Audit fees	3	(6,400)	(6,436)
Telephone and fax		(9,488)	(8,784)
Insurance		(1,270)	(1,209)
Depreciation	3	(1,627)	(537)
<b>Net Surplus for the year</b>		<b>(229,857)</b>	<b>177,027</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to surplus or deficit</b>			
Unrealised gain/(loss) on financial assets		(3,830)	2,543
<b>Other comprehensive income for the year</b>		<b>(3,830)</b>	<b>2,543</b>
<b>Total comprehensive income attributable to members of the entity</b>		<b>(233,687)</b>	<b>179,570</b>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Statement of Financial Position

As at 31 March 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	358,188	595,918
Trade and other receivables	5	25,656	18,278
Financial assets	6	484,867	473,867
Other assets	7	1,038	6,525
<b>Total current assets</b>		<b>869,749</b>	<b>1,094,588</b>
<b>Non-current assets</b>			
Financial assets	6	75,130	78,961
Plant and equipment	8	-	1,022
<b>Total non-current assets</b>		<b>75,130</b>	<b>79,983</b>
<b>TOTAL ASSETS</b>		<b>944,879</b>	<b>1,174,571</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	21,806	20,485
Short-term provisions	10	45,715	43,041
<b>Total current liabilities</b>		<b>67,521</b>	<b>63,526</b>
<b>TOTAL LIABILITIES</b>		<b>67,521</b>	<b>63,526</b>
<b>NET ASSETS</b>		<b>877,358</b>	<b>1,111,045</b>
<b>EQUITY</b>			
Reserves		171,614	335,804
Retained surpluses		705,744	775,241
<b>TOTAL EQUITY</b>		<b>877,358</b>	<b>1,111,045</b>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Statement of Changes in Equity

For the Year Ended 31 March 2018

### 2018

	Retained Surpluses	Benevolence Reserve	Mission Reserve	Asset Revaluation Surplus	Australian Missions Society Reserve	Workcover Reserve	Mission Adelaide Reserve	Mission Perth Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2017</b>	775,241	7,760	218,696	16,730	64,430	28,188	-	-	1,111,045
Surplus / (deficit) for the year	(229,857)	-	-	-	-	-	-	-	(229,857)
Revaluation increment (decrement)	-	-	-	(3,830)	-	-	-	-	(3,830)
Transfers to and from reserves	160,360	(7,760)	(166,444)	-	(64,430)	5,274	45,000	28,000	-
<b>Balance at 31 March 2018</b>	<b>705,744</b>	<b>-</b>	<b>52,252</b>	<b>12,900</b>	<b>-</b>	<b>33,462</b>	<b>45,000</b>	<b>28,000</b>	<b>877,358</b>

### 2017

	Retained Surpluses	Benevolence Reserve	Mission Reserve	Asset Revaluation Surplus	Australian Missions Society Reserve	Workcover Reserve	Mission Adelaide Reserve	Mission Perth Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2016</b>	627,723	15,816	169,348	14,187	80,000	24,401	-	-	931,475
Surplus for the year	177,027	-	-	-	-	-	-	-	177,027
Revaluation increment (decrement)	-	-	-	2,543	-	-	-	-	2,543
Transfers to and from reserves	(29,509)	(8,056)	49,348	-	(15,570)	3,787	-	-	-
<b>Balance at 31 March 2017</b>	<b>775,241</b>	<b>7,760</b>	<b>218,696</b>	<b>16,730</b>	<b>64,430</b>	<b>28,188</b>	<b>-</b>	<b>-</b>	<b>1,111,045</b>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Statement of Cash Flows

For the Year Ended 31 March 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and other partners	715,210	792,940
Payments to suppliers and employees	(958,790)	(645,702)
Investment income including dividends	3,899	4,154
Interest received	13,555	13,247
Net cash provided by/(used in) operating activities	12 <u>(226,126)</u>	<u>164,639</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption/(Placement) of term deposits	(11,000)	(12,091)
Payment for plant and equipment	(604)	(1,050)
Net cash used by investing activities	<u>(11,604)</u>	<u>(13,141)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash held	(237,730)	151,498
Cash and cash equivalents at beginning of year	595,918	444,420
Cash and cash equivalents at end of financial year	4 <u><u>358,188</u></u>	<u><u>595,918</u></u>

The accompanying notes form part of these financial statements.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 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.

#### (b) Basis of preparation

##### Reporting basis

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.

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.

#### (c) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Church commencing from the time the asset is held ready for use.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting policies continued

#### (c) Plant and equipment continued

##### Depreciation continued

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

Fixed asset class	Depreciation rate
Computer Equipment	25% - 33%
Other Plant and Equipment	20%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of income and expenditure and other comprehensive income in the period in which they arise.

#### (d) 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.

#### (e) 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 are initially measured at fair value plus transaction costs.

##### Classification and subsequent measurement

Financial instruments 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.

Fair value is determined based on current bid prices for all quoted investments.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting policies continued

#### (e) Financial instruments continued

##### Classification and subsequent measurement continued

##### (i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Church's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

##### (ii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into income and expenditure.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### Impairment

At the end of each reporting period, the Church assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the statement of income and expenditure. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into income or expenditure at this point.

#### 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.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting policies continued

#### (f) 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.

Long service leave is accrued for staff when they reach 5 years of service.

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

#### (g) 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.

#### (h) 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.

#### (i) 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.

#### (j) Income taxes

No current or deferred income tax assets or liabilities have been raised by the Church 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.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting policies continued

#### (k) Revenue

Tithes, offerings and other gifts are recognised as revenue when they are received. Where funds have been received for a specific ministry or project, they will be allocated to the specific ministry, department or project to be held in trust until such time as they are expended.

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 are recognised as revenue when distributions are received.

Investment income is recognised on receipt.

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

#### (l) 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.

#### (m) 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.

#### (n) 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.

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Revenue

	2018	2017
	\$	\$
- Tithes and offerings	672,314	671,434
- AMS Collection	-	85,097
- Trust distribution income	5,045	17,437
- Interest income	13,555	13,247
- Specific collections	15,000	11,000
- Investment income	3,899	4,154
- Other income	1,188	-
	<u>711,001</u>	<u>802,369</u>

### 3 Expenses from Ordinary Activities

Depreciation of plant and equipment	1,627	537
Remuneration of auditor		
Auditing or reviewing the financial report	5,400	5,250
Other services	1,000	1,000
	<u>6,400</u>	<u>6,250</u>
Donations expense		
Missions donations	202,300	40,003
Benevolent donations	13,032	12,020
AMS distribution	-	48,000
	<u>215,332</u>	<u>100,023</u>

### 4 Cash and cash equivalents

Cash at bank	358,188	595,918
	<u>358,188</u>	<u>595,918</u>

### 5 Trade and other receivables

CURRENT		
GST receivable	23,449	17,704
Other receivables	2,207	574
	<u>25,656</u>	<u>18,278</u>

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 6 Financial assets

	2018	2017
	\$	\$
CURRENT		
Held-to-maturity financial assets	484,867	473,867
Total current assets	<u>484,867</u>	<u>473,867</u>
NON-CURRENT		
Available for sale financial assets	75,130	78,961
Total non-current assets	<u>75,130</u>	<u>78,961</u>

### 7 Other assets

CURRENT		
Loan receivable and prepayments	-	765
Other deposits	1,038	5,760
	<u>1,038</u>	<u>6,525</u>

### 8 Property plant and equipment

#### Computer Equipment

At cost	4,957	4,852
Accumulated depreciation	(4,957)	(3,880)
Total computer equipment	<u>-</u>	<u>972</u>

#### Audio visual equipment

At cost	1,148	1,148
Accumulated depreciation	(1,148)	(1,148)
Total audio visual equipment	<u>-</u>	<u>-</u>

#### Other equipment

At cost	1,008	509
Accumulated depreciation	(1,008)	(459)
Total other equipment	<u>-</u>	<u>50</u>
	<u>-</u>	<u>1,022</u>

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 9 Trade and other payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	7,193	7,395
Other payables	14,613	13,090
	<u>21,806</u>	<u>20,485</u>

### 10 Provisions

CURRENT		
Employee provisions	45,715	43,041
	<u>45,715</u>	<u>43,041</u>

### 11 Reserves

#### Workcover Reserve

This reserve represents funds that the Church has put aside to fund fringe benefits payable to employees if an employee claims and amount is not covered by workcover.

#### Benevolence Reserve

This reserve represents funds that the Church has put aside to fund donations.

#### Missions Reserve

This reserve represents funds that the Church has put aside to fund donations for missions.

#### Asset Revaluation Surplus Reserve

This reserve records revaluations of financial assets.

#### Mission Adelaide Reserve

This reserve represents funds that the Church has put aside to fund Adelaide Church missions

#### Mission Perth Reserve

This reserve represents funds that the Church has put aside to fund Adelaide Church missions

# Melbourne Church of Christ

ABN: 24 111 933 325

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 12 Cash Flow Information

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

	2018	2017
	\$	\$
Net surplus for the period	(229,857)	177,027
<b>Non-cash flows in surplus</b>		
Depreciation	1,627	538
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	(7,377)	(13,460)
(Increase)/decrease in current assets	5,487	(4,959)
Increase/(decrease) in current payables	1,321	(5,831)
Increase/(decrease) in current provisions	2,674	11,324
	<u>(226,125)</u>	<u>164,639</u>

### 13 Contingent Liabilities

Amounts payable under employee agreements	99,339	104,111
---	--------	---------

Where employment is terminated by the employer, employees are entitled to payments upon termination as per employment agreement (Section 7.3(c)). The number of weeks payable is determined by the length of the employee's employment period.

### 14 Church's Details

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

# Melbourne Church of Christ

ABN: 24 111 933 325

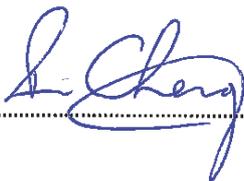
## Directors' Declaration

In accordance with a resolution of the directors of Melbourne Church of Christ, the directors declare that:

1. The financial statements and notes, as set out on pages 2 to 15, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards applicable to the Church; and
  - (b) give a true and fair view of the financial position of the Church for the year ended 31 March 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..... 

Director ..... 

Dated: 22/7/2018

# Melbourne Church of Christ

ABN: 24 111 933 325

**SAWARD / DAWSON**

chartered accountants

## Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018 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*

**Saward Dawson**

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Dated: 22 July 2018

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 2018, 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 2018 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 - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## 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 the 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

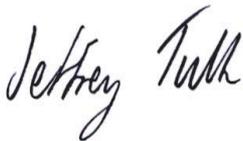
### Independent Audit Report to the members of Melbourne Church of Christ

- 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: 22 July 2018

Blackburn, VIC