

**CHURCHES OF CHRIST IN WESTERN
AUSTRALIA INC**

ABN 31 572 638 871

**SPECIAL PURPOSE
FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2020

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
ABN 31 572 638 871

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CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
ABN 31 572 638 871

STATEMENT BY THE BOARD
For The Year Ended 30 June 2020

The Board has determined that this Special Purpose Financial Report should be prepared in accordance with the accounting policies outlined to Note 1 to the Financial Statements.

In the opinion of the Board:

1. the accompanying Income & Expenditure statement is drawn up so as to present fairly the Surplus of Churches of Christ in WA Inc. for the year ended 30 June 2020.
2. the accompanying of Assets & Liabilities statement is drawn up so as to present fairly the state of affairs of the Churches of Christ in WA Inc. as at 30 June 2020.
3. at the date of this statement there are reasonable grounds to believe that Churches of Christ in WA Inc will be able to pay its debts as and when they fall due. The accounts of Churches of Christ in WA Inc have been made out in accordance with the basis of accounting described in note 1 to the accounts.
4. the financial statements and notes satisfy the requirements of The Australian Charities and Not-for-Profits Commission Act 2012.
5. the Board has complied with the Governance Standards of the ACNC.

This statement is made in accordance with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and is signed for and on behalf of the Board by:


Chairman


Interim Executive Minister

Dated: 21 October 2020

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
ABN 31 572 638 871

ASSETS & LIABILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Bank			
Operations Cash at Bank		263,785	549,607
New Works		1,218,633	1,196,677
Church Property		5,624,409	5,425,290
Growth Fund		426,515	418,831
Board Fund		4,932,692	3,894,367
Revolving Capital Fund		1,689,822	1,745,882
		14,155,856	13,230,655
Other Assets			
Revolving Capital Loan Fund (to Churches)		410,000	307,544
Operations Receivables		525,783	528,312
		15,091,640	14,066,511
TOTAL CURRENT ASSETS			
		15,091,640	14,066,511
NON-CURRENT ASSETS			
Office equipment and Vehicles	3	34,011	34,058
Land	4	1,488,090	1,488,090
Land and Building (Church)	4	13,430,540	13,430,540
Land and Building (Rent Out)	4	10,249,200	10,249,200
Property Shares		25,161	25,161
		25,227,002	25,227,048
TOTAL NON-CURRENT ASSETS			
		25,227,002	25,227,048
TOTAL ASSETS			
		40,318,642	39,293,559
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		312,854	318,471
GST Payable		6,240	46,229
Payroll Liabilities		64,186	(7,180)
		383,280	357,519
TOTAL CURRENT LIABILITIES			
		383,280	357,519
NON-CURRENT LIABILITIES			
New Works		500,000	500,000
		500,000	500,000
TOTAL NON-CURRENT LIABILITIES			
		500,000	500,000
TOTAL LIABILITIES			
		883,280	857,519
NET ASSETS			
		39,435,361	38,436,040

The accompanying notes form part of these financial statements.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
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ASSETS & LIABILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
EQUITY		
Accumulated Funds	14,490,579	13,240,523
Current Year Earnings	999,322	1,250,056
Reserves	5 23,945,460	23,945,460
TOTAL EQUITY	39,435,361	38,436,040

The accompanying notes form part of these financial statements.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
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STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2020

	Accumulated Funds \$	Reserve \$	Total \$
Balance at 1 July 2018	13,240,523	23,889,679	37,130,202
Comprehensive income			
Profit (loss) attributable to members	1,250,056	-	1,250,056
Revaluation of land	-	(26,000)	(26,000)
Transfer on sale of asset	-	(330,000)	(330,000)
Transfer of capital - Youth Vision	-	411,781	411,781
Total comprehensive income for the year attributable to members of the association	<u>1,250,056</u>	<u>55,781</u>	<u>1,305,838</u>
Balance at 30 June 2019	<u>14,490,579</u>	<u>23,945,460</u>	<u>38,436,040</u>
Balance at 1 July 2019	14,490,579	23,945,460	38,436,040
Comprehensive income			
Profit (loss) attributable to members	999,322	-	999,322
Total comprehensive income for the year attributable to members of the association	<u>999,322</u>	<u>-</u>	<u>999,322</u>
Balance at 30 June 2020	<u>15,489,901</u>	<u>23,945,460</u>	<u>39,435,361</u>

The accompanying notes form part of these financial statements.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from operations		2,376,465	2,699,863
Payments to suppliers and employees		(1,644,787)	(1,936,834)
Interest received		198,641	343,919
Net cash provided by operating activities	8	930,319	1,106,948
Cash flows from investing activities			
(Purchase) / Sell of Property, Plant & Equipment		(5,117)	376,000
Net cash provided/(used in) investing activities		(5,117)	376,000
Net (decrease)/increase in cash held		925,202	1,482,948
Cash and cash equivalents at beginning of financial year		13,230,655	11,747,707
Cash and cash equivalents at end of financial year		14,155,856	13,230,655

The accompanying notes form part of these financial statements.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
INCOME			
Operations General		1,629,077	1,238,809
Operations Affiliation Fees		242,523	430,719
Operations Insurance		475,949	456,208
Revolving Capital Fund		36,397	323,037
Properties - General		261,448	319,528
Properties - Proceeds on sale of land (net of direct selling costs) and gifted		-	376,000
New Works		21,956	31,625
Growth Fund		7,684	10,964
		2,675,033	3,186,891
LESS EXPENDITURE			
Operations General		1,348,066	1,376,391
Operations Insurance		265,316	252,516
Properties		62,329	296,563
New Works		-	11,364
		1,675,711	1,936,834
NET OPERATING SURPLUS / (DEFICIT)		999,322	1,250,056

The accompanying notes form part of these financial statements.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
ABN 31 572 638 871

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF ACCOUNTING POLICIES

The financial report has been drawn up as a special purpose financial report for the purpose of fulfilling the requirements of Churches of Christ In Western Australia Inc, Division 60 of the Australian Charities and Not -for-profits Commission Act 2012 and the WA Associations Incorporation Act 2015. This report provides members with information about the Church as an economic entity which is useful for making and evaluating decisions about the allocation of scarce resources.

The financial report has been prepared on the accruals basis of accounting as defined in AASB 108, Accounting Policies, using the historical cost convention and going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets. Except where stated, the accounting policies have been consistently applied.

The financial report has been prepared in accordance with the provisions of the Constitution.

This is a consolidated financial report that covers Board operations and property transactions.

The Board have determined that the Churches of Christ In Western Australia Inc is not a reporting entity as defined in the Statement of Accounting Concept 1 "Definition of the Reporting Entity" and therefore as a minimum apply the following accounting standards to the extent that they are relevant:

AASB 101, Presentation of Financial Statements
AASB 107, Statement of Cash Flows
AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048, Interpretation of Standards
AASB 1054, Australian Additional Disclosures.

(a) EVENTS AFTER THE REPORTING PERIOD

Due to the current situation of COVID-19 (Coronavirus), we cannot quantify the impact on the income at this point in time. There is a material uncertainty as to if there will be any effect on the entity and its operations.

2. FINANCIAL POSITION

The accounts have been prepared on the going concern basis, which contemplates continuity of normal Incorporated Body activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

3. PROPERTY PLANT & EQUIPMENT

Fixed assets, excluding buildings and motor vehicles, were written off in the 2014 financial year as a result of change in accounting policy.

The current year policy is that fixed assets excluding building and motor vehicles will be written off in the year of purchase.

4. LAND & BUILDINGS

Land and Buildings were first revalued during the 2010/2011 year. The carrying amount now shown in the balance sheet has been adopted from the value most recently determined by the Valuer General for unimproved land of each location. Previously land and buildings were carried at cost. The revaluation surplus was credited to a property capital reserve in equity. The carrying values will be reviewed and adjusted from time to time, as and when the properties are revalued.

CHURCHES OF CHRIST IN WESTERN AUSTRALIA INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

This class of asset includes property in the name of Churches of Christ in WA Inc. and made available to affiliated member churches and for other approved purposes. The terms of each utilisation arrangement vary with the individual circumstances. In previous years there was no documentation in place to outline the terms of these arrangements. There is a process currently underway to document and outline the terms of these arrangements.

Churches of Christ in WA Inc. has a contingent asset amounting to \$1,488,100 due to the terms specified in the Deeds of Transfer between Churches of Christ in WA Inc and related Churches.

5. EQUITY

The surplus of property revaluation was credited to the property capital reserve.

6. TAXATION

In accordance with the Income Tax Assessment Act 1997, the income of the Incorporated Body is exempt from tax.

7. PROVISIONS

Churches of Christ in WA Inc. provides special provisions for the following under Board accounts;

- Special Operations
- Youth Vision
- Youth Vision Parkerville Trust
- Country Ministry
- Insurance Contingency
- Leadership Development
- Resources Centre Maintenance
- Kidsvision

8. CASH FLOW INFORMATION

Reconciliation of cash Flow from Operations with Profit after Income Tax

	2020	2019
	\$	\$
Net Surplus / (Deficit)	999,322	1,250,056
Cash flows excluded from profit attributable to operating activities		
Gain on disposal of property, plant and equipment	-	46,000
Non-cash flows in profit:		
Depreciation and amortisation	5,164	-
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(99,927)	(368,727)
(Decrease)/increase in trade payables and accruals	33,471	228,025
(Decrease)/increase in other payables	(39,522)	(48,406)
(Decrease)/increase in payroll liabilities	31,812	-
	930,319	1,106,948

INDEPENDENT AUDIT REPORT

To the Members of Churches of Christ In Western Australia Inc.

Report on the Financial Report

We have audited the financial report of Churches of Christ in WA Inc which comprises the assets & liabilities statement as at 30 June 2020, the income & expenditure statement, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Executive Committee declaration.

In our opinion the financial report of Churches of Christ in WA Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; 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 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 the registered entity in accordance with 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 to assist the Association to meet the requirements of the Association's Constitution, Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 and WA Associations Incorporations Act 2015. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – COVID-19 (Coronavirus)

We draw attention to Note 1(a) in the financial report, which describes the recent spread of the Covid-19 virus. This event has caused a massive dislocation in the economic circumstances in many economies throughout the world. There is uncertainty as to the effects this may have on the Entity and its operations. Our opinion is not modified in respect of this matter.

Responsibility of the Executive Committee for the Financial Report

The Executive Committee of Churches of Christ in WA Inc is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Committee is responsible for assessing Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Association either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDIT REPORT

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility 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 the 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 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 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 omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonable of accounting estimates and related disclosures made by The Executive Committee of Churches of Christ in WA Inc.
- Conclude on the appropriateness of The Executive Committee of Churches of Christ in WA Inc 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 association'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 association 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the The Executive Committee of Churches of Christ in WA Inc 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.

Dated this 21st day of October 2020.



Shreeve & Carslake
Chartered Accountants



Geoffrey Carslake - Partner

At 24 Walters Drive, Herdsman Business Park, WA

