

# **SPECIAL PURPOSE FINANCIAL REPORT**

Churches of Christ in Western Australia Inc

ABN 31 572 638 871

For the year ended 30 June 2022

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# STATEMENT BY THE BOARD

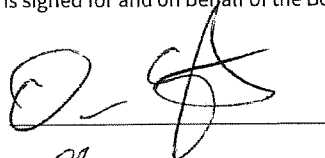
## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

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 2022.
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 2022.
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.

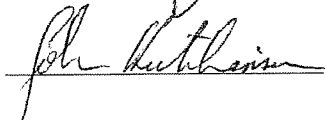
This statement is made in accordance with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and is signed for and on behalf of the Board by:

Chairman:



Dean Groetzinger

Executive Minister:



John Hutchinson

Dated: 18/10/2022

# INCOME AND EXPENDITURE STATEMENT

## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

	2022	2021
<b>Income</b>		
Operations - General	485,549	943,141
Operations - Affiliation Fees	249,439	126,248
Operations - Insurance	591,641	544,677
Revolving Capital Fund	11,019	21,503
Properties - General	213,048	243,896
New Works	8,544	15,189
Growth Fund	2,990	5,316
<b>Total Income</b>	<b>1,562,229</b>	<b>1,899,970</b>
<b>Expenditure</b>		
Operations - General	784,317	1,057,714
Operations - Insurance	393,697	365,319
Properties	132,644	60,482
<b>Total Expenses</b>	<b>1,310,659</b>	<b>1,483,516</b>
<b>Net Operating Surplus / ( Deficit)</b>	<b>251,570</b>	<b>416,454</b>

The accompanying notes form part of these financial statements.

# ASSETS AND LIABILITIES STATEMENT

## Churches of Christ in Western Australia Inc As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
<b>Assets</b>			
<b>Bank</b>			
Operations - Cash at Bank	2	406,214	315,097
New Works		1,242,366	1,233,822
Church Property		2,878,100	2,797,696
Growth Fund		434,822	431,831
Board Fund		5,334,258	5,409,427
Revolving Capital Fund		1,542,349	1,506,330
<b>Total Bank</b>		<b>11,838,107</b>	<b>11,694,204</b>
<b>Other Assets</b>			
Revolving Capital Loan Fund (to Churches)	3	580,000	604,995
Operations Receivables		151,141	82,581
<b>Total Other Assets</b>		<b>731,141</b>	<b>687,576</b>
<b>Non-Current Assets</b>			
Office Equipment and Vehicles		40,813	40,813
Land		1,488,090	1,488,090
Land and Building (Church)		13,430,540	13,430,540
Land and Building (Rent Out)		13,258,876	13,258,876
Property Shares		25,161	25,161
<b>Total Non-Current Assets</b>		<b>28,243,478</b>	<b>28,243,478</b>
<b>Total Assets</b>		<b>40,812,726</b>	<b>40,625,259</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	4	97,379	167,445
GST Payable		13,613	22,652
Payroll Liabilities	5	98,348	83,346
<b>Total Current Liabilities</b>		<b>209,340</b>	<b>273,443</b>
<b>Non-Current Liabilities</b>			
New Works		500,000	500,000
<b>Total Non-Current Liabilities</b>		<b>500,000</b>	<b>500,000</b>
<b>Total Liabilities</b>		<b>709,340</b>	<b>773,443</b>
<b>Net Assets</b>		<b>40,103,386</b>	<b>39,851,815</b>
<b>Member's Funds</b>			
Accumulated Funds		15,778,752	15,421,381
Current Year Earnings		251,570	416,454
Reserves		24,073,063	24,013,981
<b>Total Member's Funds</b>		<b>40,103,386</b>	<b>39,851,815</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

	2022	2021
<b>Equity</b>		
Opening Balance	39,851,815	39,435,361
<b>Increases</b>		
Profit for the Period	251,570	416,454
<b>Total Increases</b>	<b>251,570</b>	<b>416,454</b>
<b>Total Equity</b>	<b>40,103,386</b>	<b>39,851,815</b>

# STATEMENT OF CASH FLOWS

## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

	2022	2021
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	1,518,665	2,148,177
Payments to suppliers and employees	(1,374,762)	(1,593,353)
Interest received	-	-
<b>Total Cash Flows from Operating Activities</b>	<b>143,903</b>	<b>554,824</b>
	2022	2021
<b>Cash Flow from Investing Activities</b>		
(Purchase) / Sale of Land	-	-
(Purchase) / Sale of Church Property	-	(3,009,676)
(Purchase) / Sale of Sound Equipment	-	-
(Purchase) / Sale of Office Plant & Equipment	-	-
(Purchase) / Sale of Furniture and Fittings	-	(6,801)
<b>Total Cash Flow from Investing Activities</b>	<b>-</b>	<b>(3,016,477)</b>
	2022	2021
<b>Cash Flows from Financing Activities</b>		
Receipts from loans taken out during the year	-	-
Repayments of borrowings	-	-
<b>Total Cash Flows from Financing Activities</b>	<b>-</b>	<b>-</b>
	2022	2021
<b>Cash and Cash Equivalent at End of Financial Year</b>		
Cash and cash equivalent at beginning of financial year	11,694,204	14,155,856
Net (decrease) / increase in cash held	143,903	(2,461,653)
<b>Total Cash and Cash Equivalent at End of Financial Year</b>	<b>11,838,107</b>	<b>11,694,204</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

### 1. Summary of Significant 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. 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.

The Council 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) Income Tax

Churches of Christ in Western Australia Inc is exempt from payment of income tax under the item 1.2 of section 50.5 of the Income Assessment Act 1997.

#### (b) Property, Plant and Equipment (PPE)

Freehold Land and Buildings are shown on the Balance Sheet at revalued cost. Property Improvements are carried at cost. The depreciable amount of all Plant and Equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Plant and Equipment is measured at cost less, where applicable, accumulated depreciation and any impairment losses.

#### (c) Depreciation

The depreciable amount of property, plant and equipment (excluding freehold land) is depreciated on a straight-line basis. Depreciation commences from the time the asset is available for its intended use.

The assets' residual values 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.

#### (d) Employee Benefits

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by the employee up to the reporting date.

#### (e) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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These notes should be read in conjunction with the attached compilation report.



**(f) Cash on Hand**

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

**(g) 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 balance sheet.

**(h) Events after the Reporting Period**

1. 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. On 31 August 2022, John Hutchinson, Executive Minister of Churches of Christ in Western Australia Inc, was contacted by Elsie Brown, director of Alkitab Inc, to whom Churches of Christ in Western Australia Inc owe the \$500,000 new works liability, and was informed of Alkitab Inc's intention of winding up their operations. Alkitab Inc stated they would like to change the status of the liability into a gift for Churches of Christ in Western Australia Inc. This intention is in the process of being formalised and approved by the Board of Alkitab Inc. It is currently expected that this gift will take effect in the 2023/24 financial year at which time the \$500,000 liability will be converted to income.

	2022	2021
<b>2. Operations - Cash at Bank</b>		
CCFS - Online Accumulator	17	5,092
CCFS - Easy Access	377,570	263,858
CCFS - #561	1	4,579
Westpac COCWA	28,626	41,568
<b>Total Operations - Cash at Bank</b>	<b>406,214</b>	<b>315,097</b>

	2022	2021
<b>3. Revolving Capital Loan Fund</b>		
Loan to Bassendean Church	200,000	200,000
Loan to Noranda Church	-	4,995
Loan to True North	180,000	200,000
Loan to Warnbro Church	200,000	200,000
<b>Total Revolving Capital Loan Fund</b>	<b>580,000</b>	<b>604,995</b>

	2022	2021
<b>4. Accounts Payable</b>		
Credit Card - COCWA Westpac	(1,322)	(1,897)
Provision - Discipleship	(10,044)	(9,456)
Provision Fund Reserve Account	(59,236)	(122,371)
Trade creditors	(26,777)	(33,721)
<b>Total Accounts Payable</b>	<b>(97,379)</b>	<b>(167,445)</b>

These notes should be read in conjunction with the attached compilation report.

	2022	2021
<b>5. Payroll Liabilities</b>		
Wages Payable	(9,622)	(1,365)
Provision - Annual & Long Service Leave	(85,308)	(77,218)
Superannuation Payable	(3,418)	(4,763)
<b>Total Payroll Liabilities</b>	<b>(98,348)</b>	<b>(83,346)</b>

	2022	2021
<b>6. Cash Flow Information</b>		
<b>Reconciliation of cash flow from operations with profit after income tax</b>		
Profit after income tax	251,570	416,454
<b>Cash flows excluded from profit attributable to operating activities</b>		
Gain on disposal of property, plant and equipment	-	-
<b>Non-cash flows in profit</b>		
Depreciation and amortisation	-	-
<b>Changes in assets and liabilities</b>		
Decrease / (increase) in trade and other receivables	(43,564)	248,207
(Decrease) / increase in trade payables and accruals	(79,105)	(128,997)
(Decrease) / increase in provisions	15,002	19,160
<b>Total Cash Flow Information</b>	<b>143,903</b>	<b>554,824</b>

These notes should be read in conjunction with the attached compilation report.

# INDEPENDENT AUDITOR'S REPORT

## Churches of Christ in Western Australia Inc For the year ended 30 June 2022

**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 Western Australia Inc which comprises the statement of financial position as at 2022, the profit and loss 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 statement by Council.

In our opinion the financial report of Churches of Christ in Western Australia 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 2022 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 auditor independence requirements of the ACNC Act, 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 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(h) 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 Council for the Financial Report

The Council of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the ACNC Act and for such internal control as the council determines is necessary to enable the preparation of the 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 Council 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. Those charged with governance are responsible for overseeing the Association's financial reporting process.

### 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 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 Council.
- Conclude on the appropriateness of the Council's 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 are solely responsible for our audit opinion.

We communicate with the Council 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 18th day of October 2022.

Shreeve + Carslake

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**Shreeve & Carslake**

**Chartered Accountants**

P G Shreeve

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**Phillip Shreeve - Partner**

24 Walters Drive, Osborne Park, WA

