

**CHURCHES OF CHRIST IN WESTERN  
AUSTRALIA INC**

ABN 31 572 638 871

**SPECIAL PURPOSE  
FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2019

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

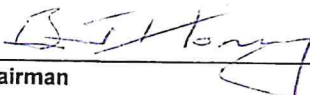
STATEMENT BY THE BOARD  
For The Year Ended 30 June 2019

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 2019.
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 2019.
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

  
Executive Minister

Dated: 16/10/19

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

**ASSETS & LIABILITIES STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
<b>Bank</b>			
Operations Cash at Bank		549,607.47	204,494.74
New Works		1,196,677.42	1,176,417.08
Church Property		5,425,290.49	5,026,325.03
Growth Fund		418,831.09	407,866.74
Board Fund		3,894,366.56	3,507,214.34
Revolving Capital Fund		1,745,881.52	1,425,388.57
		<u>13,230,654.55</u>	<u>11,747,706.50</u>
<b>Other Assets</b>			
Revolving Capital Loan Fund (to Churches)		307,544.00	310,000.00
Operations Recivables		528,312.12	144,631.06
		<u>14,066,510.67</u>	<u>12,202,337.56</u>
<b>TOTAL CURRENT ASSETS</b>			
		<u>14,066,510.67</u>	<u>12,202,337.56</u>
<b>NON-CURRENT ASSETS</b>			
Office equipment and Vehicles	3	34,057.93	34,057.93
Land	4	1,488,089.50	1,488,089.50
Land and Building (Church )	4	13,430,540.00	13,456,540.00
Land and Building (Rent Out)	4	10,249,200.00	10,579,200.00
Property Shares		25,160.70	25,160.70
		<u>25,227,048.13</u>	<u>25,583,048.13</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
		<u>25,227,048.13</u>	<u>25,583,048.13</u>
<b>TOTAL ASSETS</b>			
		<u>39,293,558.80</u>	<u>37,785,385.69</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable		318,470.69	98,864.46
GST Payable		46,229.00	26,975.00
Payroll Liabilities		(7,180.45)	29,344.30
		<u>357,519.24</u>	<u>155,183.76</u>
<b>TOTAL CURRENT LIABILITIES</b>			
		<u>357,519.24</u>	<u>155,183.76</u>
<b>NON-CURRENT LIABILITIES</b>			
New Works		500,000.00	500,000.00
		<u>500,000.00</u>	<u>500,000.00</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>			
		<u>500,000.00</u>	<u>500,000.00</u>
<b>TOTAL LIABILITIES</b>			
		<u>857,519.24</u>	<u>655,183.76</u>
<b>NET ASSETS</b>			
		<u>38,436,039.56</u>	<u>37,130,201.93</u>

The accompanying notes form part of these financial statements.

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

ASSETS & LIABILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>EQUITY</b>		
Accumulated Funds	13,240,523.22	13,030,105.10
Current Year Earnings	1,250,056.20	210,418.12
Reserves	5 23,945,460.17	23,889,678.74
<b>TOTAL EQUITY</b>	<b>38,436,039.59</b>	<b>37,130,201.96</b>

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 2019**

	Accumulated Funds \$	Reserve \$	Total \$
<b>Balance at 1 July 2017</b>	13,345,390.95	24,439,628.41	37,785,019.36
<b>Comprehensive income</b>			
Profit (loss) attributable to members	210,418.12		210,418.12
Revaluation of land	(315,285.88)	(549,949.67)	(865,235.55)
Transfer on sale of asset	-	-	-
<b>Total comprehensive income for the year attributable to members of the association</b>	<u>(104,867.76)</u>	<u>(549,949.67)</u>	<u>(654,817.43)</u>
<b>Balance at 30 June 2018</b>	<u>13,240,523.19</u>	<u>23,889,678.74</u>	<u>37,130,201.93</u>
<b>Balance at 1 July 2018</b>	13,240,523.19	23,889,678.74	37,130,201.93
<b>Comprehensive income</b>			
Profit (loss) attributable to members	1,250,056.20		1,250,056.20
Revaluation of land	-	(26,000.00)	(26,000.00)
Transfer on sale of asset	-	(330,000.00)	(330,000.00)
Transfer of capital - Youth Vision	-	411,781.43	411,781.43
<b>Total comprehensive income for the year attributable to members of the association</b>	<u>1,250,056.20</u>	<u>55,781.43</u>	<u>1,305,837.63</u>
<b>Balance at 30 June 2019</b>	<u>14,490,579.39</u>	<u>23,945,460.17</u>	<u>38,436,039.56</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		2,699,863.14	1,793,486.28
Payments to suppliers and employees		(1,936,834.46)	(2,347,787.25)
Interest received		343,919.37	276,765.21
<b>Net cash provided by operating activities</b>	<b>8</b>	<u>1,106,948.05</u>	<u>(277,535.76)</u>
<b>Cash flows from investing activities</b>			
(Purchase) / Sell of Property, Plant & Equipment		376,000.00	30,000.00
(Purchase) / Sell of Church Property			
(Purchase) / Sell of Buildings			
(Purchase) / Sell of Plant and Equipment			
(Purchase) / Sell of Furniture and fittings			
<b>Net cash provided/(used in) investing activities</b>		<u>376,000.00</u>	<u>30,000.00</u>
<b>Cash flows (used in)/from financing activities</b>			
Repayment of reserve fund			
<b>Net cash (used in)/provided by financing activities</b>		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash held		1,482,948.05	(247,535.76)
Cash and cash equivalents at beginning of financial year		<u>11,747,706.50</u>	<u>11,995,242.26</u>
<b>Cash and cash equivalents at end of financial year</b>		<u><u>13,230,654.55</u></u>	<u><u>11,747,706.50</u></u>

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 2019**

	Note	2019 \$	2018 \$
<b>INCOME</b>			
Operations General		1,238,809.35	750,823.68
Operations Affiliation Fees		430,718.74	413,489.99
Operations Insurance		456,208.29	441,676.46
Revolving Capital Fund		323,036.95	37,943.16
Properties - General		319,528.31	331,140.50
Properties - Proceeds on sale of land (net of direct selling costs) and gifted		376,000.00	340,000.00
New Works		31,624.67	33,181.94
Growth Fund		10,964.35	11,430.34
		<u>3,186,890.66</u>	<u>2,359,686.07</u>
<b>LESS EXPENDITURE</b>			
Operations General		1,376,390.97	1,404,167.78
Operations Insurance		252,516.31	251,611.57
Properties		296,562.85	493,414.57
New Works		11,364.33	74.03
		<u>1,936,834.46</u>	<u>2,149,267.95</u>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>		<u><u>1,250,056.20</u></u>	<u><u>210,418.12</u></u>

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 2019**

**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.

**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 2019**

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**

	2019	2018
	\$	\$
Net Surplus / (Deficit)	1,250,056.20	210,418.12
<b>Cash flows excluded from profit attributable to operating activities</b>		
Gain on disposal of property, plant and equipment	46,000.00	(310,000.00)
<b>Non-cash flows in profit:</b>		
Depreciation and amortisation		
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in trade and other receivables	(368,727.12)	20,565.42
(Decrease)/increase in trade payables and accruals	228,024.67	(188,374.88)
(Decrease)/increase in other payables	(48,405.70)	(10,144.42)
	<b>1,106,948.05</b>	<b>(277,535.76)</b>

## 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 2019, 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 2019 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.

#### 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.

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

## INDEPENDENT AUDIT REPORT

### 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 23<sup>rd</sup> day of October 2019.



Shreeve & Carslake  
Chartered Accountants



Geoffrey Carslake - Partner

At 24 Walters Drive, Herdsman Business Park, WA