

# **Collins Street Baptist Church**

ABN: 35 715 578 892

## **Financial Statements**

For the Year Ended 30 June 2018

# Collins Street Baptist Church

ABN: 35 715 578 892

## Contents

For the Year Ended 30 June 2018

	Page
<b>Financial Statements</b>	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Notes to the Financial Statements	3
Statement by Members of the Diaconate	8
Independent Audit Report	9

## Collins Street Baptist Church

ABN: 35 715 578 892

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
Donations and bequests	206,057	202,102
Grants	256,000	305,000
Rent and hire income	88,492	91,350
Veranda income	19,314	52,124
Other income	4,593	1,908
<b>Total revenue</b>	<b>574,456</b>	<b>652,484</b>
Administration expense	(70,717)	(51,819)
Congregational expense	(16,646)	(35,818)
Employee benefits expense	(337,117)	(425,292)
Depreciation and amortisation expense	(5,269)	(8,800)
Program expense	(21,623)	(48,482)
Property expense	(67,160)	(75,573)
Veranda expense	(11,382)	(28,575)
Bad debt expense	-	(2,440)
<b>Total expenses</b>	<b>(529,914)</b>	<b>(676,799)</b>
<b>Surplus/(deficit) before income tax</b>	<b>44,542</b>	<b>(24,315)</b>
Income tax expense	-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Collins Street Baptist Church</b>	<b>44,542</b>	<b>(24,315)</b>
<b>Total comprehensive income for the year attributable to the members of Collins Street Baptist Church</b>	<b>44,542</b>	<b>(24,315)</b>

12

The accompanying notes form part of these financial statements.

# Collins Street Baptist Church

ABN: 35 715 578 892

## Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	33,732	30,485
Trade and other receivables	5	4,656	737
Loans and advances	6	-	2,440
Other assets		1,179	491
TOTAL CURRENT ASSETS		<u>39,567</u>	<u>34,153</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>21,275</u>	12,627
TOTAL NON-CURRENT ASSETS		<u>21,275</u>	<u>12,627</u>
TOTAL ASSETS		<u><u>60,842</u></u>	<u><u>46,780</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	8,148	32,563
Provisions	9	70,416	74,775
Other liabilities	10	965	2,671
TOTAL CURRENT LIABILITIES		<u>79,529</u>	<u>110,009</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>79,529</u>	<u>110,009</u>
NET ASSETS		<u><u>(18,687)</u></u>	<u><u>(63,229)</u></u>
<b>EQUITY</b>			
Reserves	11	18,876	18,876
Retained earnings	12	<u>(37,563)</u>	<u>(82,105)</u>
TOTAL EQUITY		<u><u>(18,687)</u></u>	<u><u>(63,229)</u></u>

The accompanying notes form part of these financial statements.

## Collins Street Baptist Church

ABN: 35 715 578 892

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

The financial report covers Collins Street Baptist Church as an individual entity. Collins Street Baptist Church is a not-for-profit Church, registered and domiciled in Australia.

The functional and presentation currency of Collins Street Baptist Church is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of the Deacons the Church is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the needs of the members of Collins Street Baptist Church.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of 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* and AASB 1054 *Australian Additional Disclosures*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Church is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Church and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(d) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Church, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	3-10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Church. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

##### **(e) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(f) Employee benefits**

Provision is made for the Church's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (g) Provisions

Provisions are recognised when the Church 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 at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### Key estimates - estimation of useful lives of assets

The Church determines the useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets have been abandoned or sold will be written off or written down.

### 4 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	122	754
Cash at bank	33,610	29,731
	<u>33,732</u>	<u>30,485</u>

### 5 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	4,656	737
	<u>4,656</u>	<u>737</u>

## Collins Street Baptist Church

ABN: 35 715 578 892

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 6 Loans and Advances

	2018	2017
	\$	\$
Personal loan 2	-	2,440
	<u>-</u>	<u>2,440</u>

#### 7 Property, plant and equipment

##### PLANT AND EQUIPMENT

##### Plant and equipment

###### At cost

21,409 9,120

###### Accumulated depreciation

(9,066) (7,673)

##### Total plant and equipment

12,343 1,447

##### Furniture, fixtures and fittings

###### At cost

22,434 20,806

###### Accumulated depreciation

(13,502) (9,626)

##### Total furniture, fixtures and fittings

8,932 11,180

##### **Total property, plant and equipment**

21,275 12,627

#### 8 Trade and Other Payables

	2018	2017
	\$	\$
Trade payables	9,065	25,932
BAS payable	(917)	6,631
	<u>8,148</u>	<u>32,563</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 9 Provisions

	2018	2017
	\$	\$
CURRENT		
Annual leave	48,192	49,091
Long service leave	7,758	6,587
Superannuation	14,466	19,097
	<u>70,416</u>	<u>74,775</u>



# Collins Street Baptist Church

ABN: 35 715 578 892

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10 Other Liabilities

	2018	2017
	\$	\$
CURRENT		
Provision for doubtful debts	-	2,440
Other liabilities	965	230
	<u>965</u>	<u>2,670</u>

### 11 Reserves

	2018	2017
	\$	\$
Ministries funds	1,088	1,088
Communion funds	13,788	13,788
Equipment purchase reserve	4,000	4,000
	<u>18,876</u>	<u>18,876</u>

### 12 Retained Earnings

	2018	2017
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	(82,105)	(57,788)
Net surplus/(deficit) after income tax expense for the year	44,542	(24,317)
<b>Retained earnings at end of the financial year</b>	<u><b>(37,563)</b></u>	<u><b>(82,105)</b></u>

### 13 Events Occurring After the Reporting Date

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

## Collins Street Baptist Church

ABN: 35 715 578 892

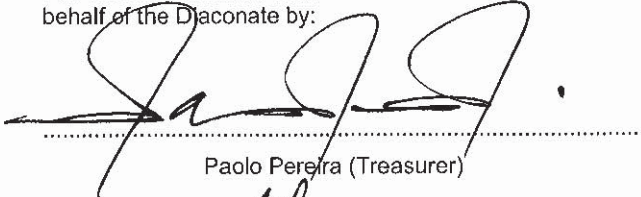
### Statement by Members of the Diaconate

In the opinion of the Diaconate of the Collins Street Baptist Church, the financial report consisting of the Income Statement, Balance Sheet and Notes to the accounts:

(a) Presents a true and fair view of the financial position of Collins Street Baptist Church as at 30th June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards, outlined in Note 1 to the financial statements.

(b) At the date of this statement, there are reasonable grounds to believe that Collins Street Baptist Church will be able to pay its debts as and when they fall due.

The attached financial statement is made in accordance with a resolution of the Church Diaconate and is signed for and behalf of the Diaconate by:



Paolo Pereira (Treasurer)



Robert Iles (Secretary)

Dated 04 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLINS STREET BAPTIST CHURCH

**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Collins Street Baptist Church (the church), which comprises the Diaconate's report, the statement of financial position as at 30 June 2018, the statement of profit or loss and comprehensive income, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the Diaconate.

*Diaconate's Responsibility for the Financial Report*

The Diaconate of Collins Street Baptist Church is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements the church's constitution and is appropriate to meet the need of the members. The Diaconate's responsibility also includes such internal control as the Diaconate determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Diaconate, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

*Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Collins Street Baptist Church as at 30 June 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist of Collins Street Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in black ink, appearing to read 'Joel Hernandez', with a stylized flourish at the end.

Joel Hernandez, CA  
rdl.accountants

4 September 2018  
Blackburn, Victoria