

Collins Street Baptist Church

ABN: 35 715 578 892

Financial Statements

For the Year Ended 30 June 2021

Collins Street Baptist Church

ABN: 35 715 578 892

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
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	9
Independent Audit Report	10

Collins Street Baptist Church

ABN: 35 715 578 892

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
Donations and bequests	178,037	256,288
Grants	87,988	128,408
Rent and hire income	73,421	82,582
Veranda	-	28,170
Other income	163,417	75,414
Total Revenue	502,863	570,862
Administration expense	(55,332)	(57,342)
Congregational expense	(20,793)	(23,963)
Employee benefits expense	(348,434)	(380,254)
Depreciation and amortisation expense	(7,955)	(5,621)
Program expense	(15,468)	(16,970)
Property Expense	(103,130)	(49,818)
Veranda Expense	(133)	(10,632)
Total expenses	(551,245)	(544,600)
Surplus/(deficit) before income tax	(48,382)	26,262
Income tax expense	-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of Collins Street Baptist Church	(48,382)	26,262
Total comprehensive income for the year attributable to the members of Collins Street Baptist Church	(48,382)	26,262

The accompanying notes form part of these financial statements.

Collins Street Baptist Church

ABN: 35 715 578 892

Statement of Financial Position As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		26,488	42,662
Trade and other receivables	4	3,376	20,870
Prepayments		8,938	5,482
TOTAL CURRENT ASSETS		<u>38,802</u>	<u>69,014</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,523	11,561
TOTAL NON-CURRENT ASSETS		<u>12,523</u>	<u>11,561</u>
TOTAL ASSETS		<u>51,325</u>	<u>80,575</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	43,097	21,312
Provisions	7	45,684	48,337
TOTAL CURRENT LIABILITIES		<u>88,781</u>	<u>69,649</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>88,781</u>	<u>69,649</u>
NET ASSETS		<u>(37,456)</u>	<u>10,926</u>
EQUITY			
Reserves	8	-	18,876
Retained earnings	9	(37,456)	(7,950)
TOTAL EQUITY		<u>(37,456)</u>	<u>10,926</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 2021

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, measurement and 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*.

Compliance with Australian Accounting Standard

These financial statement do not comply with all the recognition and measurement requirements in the Australian Accounting Standards. The material accounting policies adopted in the special purpose financial statements are set out in Note 2.

The entity has not assessed how its significant accounting policies differ from the recognition and measurement requirements contained in Australian Accounting Standards that do not apply to it.

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.

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.

Collins Street Baptist Church

ABN: 35 715 578 892

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Offerings, Tithes and Donations

Offerings, tithes and donations are recognised as revenue when received.

(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.

(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:

Fixed asset class	Depreciation rate
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

Collins Street Baptist Church

ABN: 35 715 578 892

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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.

(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 Judgements

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 - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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.

Collins Street Baptist Church

ABN: 35 715 578 892

Notes to the Financial Statements For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgements

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.

Key estimates - employee provisions

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	1,376	18,870
Member Loan Receivable	2,000	2,000
Total current trade and other receivables	3,376	20,870

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

5 Property, plant and equipment

	2021	2020
	\$	\$
Plant and equipment		
At cost	31,721	22,804
Accumulated depreciation	(24,238)	(17,589)
Total plant and equipment	7,483	5,215
Furniture, fixtures and fittings		
At cost	24,388	24,388
Accumulated depreciation	(19,348)	(18,042)
Total furniture, fixtures and fittings	5,040	6,346
Total property, plant and equipment	12,523	11,561

Collins Street Baptist Church

ABN: 35 715 578 892

Notes to the Financial Statements For the Year Ended 30 June 2021

6 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	31,369	7,014
BAS payable	861	-
Accrued expenses	6,150	3,000
Other payables	4,717	11,298
	<u>43,097</u>	<u>21,312</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.

7 Provisions

	2021	2020
	\$	\$
CURRENT		
Annual leave	36,150	35,047
Long service leave	9,534	13,290
	<u>45,684</u>	<u>48,337</u>

8 Reserves

	2021	2020
	\$	\$
Ministries funds	-	1,088
Communion funds	-	13,788
Equipment purchase reserve	-	4,000
	<u>-</u>	<u>18,876</u>

9 Retained Earnings

	2021	2020
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	(7,950)	(34,211)
Net surplus/(deficit) after income tax expense for the year	(48,382)	26,261
Transfers in	18,876	-
Retained earnings at end of the financial year	<u>(37,456)</u>	<u>(7,950)</u>

10 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

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 COVID-19 Event

The COVID-19 pandemic has resulted in substantial measures instigated by Government in order to limit the spread of the virus. These measures have had a significant impact on the Australian economy, and are likely to do so for some time to come. At this stage, it is impossible to accurately estimate the financial effect that the COVID-19 virus and associated measures will have on the church. The operation of the church was disrupted to comply with the State and Federal restrictions. The church has received government support through the JobKeeper program and other federal and state government packages. The diaconate consider that the church has sufficient financial resources to enable it to continue to operate for the coming year, and as a result, these financial statements have been prepared on a going concern basis.

12 Going Concern

While the financial report for Collins Street Baptist Church showed a net deficiency at 30th June 2021, Collins Street Baptist Church has received written confirmation of financial support from the Collins Street Baptist Church Fund, in order to ensure that Collins Street Baptist Church is able to meet its financial obligations as they become due. As a result, these financial statements have been prepared on a going concern basis.

13 Statutory Information

The registered office and principal place of business of the church is:

Collins Street Baptist Church
174 Collins Street
MELBOURNE VIC 3000

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:

(a) the financial report consisting of the Income Statement, Balance Sheet and Notes to the accounts presents a true and fair view of the financial position of Collins Street Baptist Church as at 30th June 2021 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:

.....
Laurie Buchanan (Acting Treasurer)

.....
Robert Iles (Secretary)

Dated

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

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Collins Street Baptist Church (the church), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the Diaconate.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Collins Street Baptist Church as at 30 June 2021 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

Basis for 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 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.

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 Collins Street Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Diaconate's Responsibility for the Financial Report

The Diaconate 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 needs of the members. The Diaconate's responsibility also includes such internal control as the Diaconate determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Diaconate is responsible for assessing the church'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 Diaconate either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Entity'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 Entity 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 those charged with governance 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.

Joel Hernandez, CA
rdl.accountants

Blackburn, Victoria