

**C3 CHURCH MONASH INCORPORATED**  
**ABN 73 794 432 277**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2021**

**DECLARATION BY THE EXECUTIVE COMMITTEE**

The Executive Committee of the Church declare that the financial statements:

1. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Church in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. There are reasonable grounds to believe that the Church will be able to pay its debts as and when they become due and payable.
3. Satisfy the requirements of the *Australian Charities and Not-for-profit Commission Act 2012* and Australian Charities and Not-for-profit Commission Regulation 2013.

This declaration is made in accordance with subsection 60.15(2a) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Steven Roy White (Chairman)



Andrew Kingston (Vice Chair)

Dated this 1st day of November 2021.



AccountAbility (ACT) Pty Ltd  
ACN: 088 095 354

PO Box 776, Mitchell ACT 2911

Telephone: 02 6170 6870

Email: [admin@accountability-act.com.au](mailto:admin@accountability-act.com.au)  
[www.accountability-act.com.au](http://www.accountability-act.com.au)

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**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 60.40 OF THE  
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE  
EXECUTIVE COMMITTEE OF THE C3 CHURCH MONASH INCORPORATED**

I declare that, to the best of my knowledge and belief, during the year ended  
30 June 2021 there have been:

- (a) no contraventions of the auditors' independence requirements as set out in  
the *Australian Charities and Not-for-profits Commission Act 2012* in relation  
to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation  
to the audit.

**AccountAbility**

**Anthony Wilson  
Registered Company Auditor  
Canberra, ACT  
1 November 2021**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED  
30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>INCOME</b>			
Trading income	2	643,369	664,756
Courses income		-	140
Ministry income		1,351	432
Other revenue	3	138,498	84,103
Queanbeyan income	4	105,059	257,806
Building Fund income		160,508	235,654
Less cost of sales		(163)	(869)
Total income		1,048,622	1,242,022
<b>EXPENSES</b>			
Staff expenses		421,022	446,106
Missions		56,536	64,279
PLT & ACT Pastors Day		1,609	1,487
Courses expense		-	280
Visiting Ministry expenses		3,016	1,596
Ministry expenses		412	1,236
Service expenses		17,579	7,801
Administration expenses		59,699	60,945
Equipment		-	830
Occupancy		57,270	56,378
Other expenses		7,294	7,097
Depreciation (including Queanbeyan assets)		21,914	26,066
Queanbeyan expenses		69,125	122,227
Building Fund expenses	5	76,447	96,012
Total expenses		791,923	892,340
Surplus from operating activities		256,699	349,682
<i>Other comprehensive income</i>		1,323,774	-
Total comprehensive income for the year		1,580,472	349,682

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	617,463	696,137
Trade and other receivables		1,024	6,824
		618,487	702,961
TOTAL CURRENT ASSETS		618,487	702,961
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,921,747	3,612,294
		4,921,747	3,612,294
TOTAL NON-CURRENT ASSETS		4,921,747	3,612,294
TOTAL ASSETS		5,540,234	4,315,255
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	38,796	28,096
Borrowings	9	127,921	192,061
Provisions	10	71,778	92,843
		238,495	313,000
TOTAL CURRENT LIABILITIES		238,495	313,000
NON-CURRENT LIABILITIES			
Borrowings	9	1,136,748	1,151,328
		1,136,748	1,151,328
TOTAL NON-CURRENT LIABILITIES		1,136,748	1,151,328
TOTAL LIABILITIES		1,375,244	1,464,328
<b>NET ASSETS</b>		4,164,991	2,850,927
<b>EQUITY</b>			
Retained earnings		1,835,807	1,845,518
Asset revaluation reserve		2,329,184	1,005,409
<b>TOTAL EQUITY</b>		4,164,991	2,850,927

The accompanying notes form part of these financial statements

**C3 CHURCH MONASH INCORPORATED**  
**ABN 73 794 432 277**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Asset revaluation reserve	Retained earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	1,005,409	1,495,836	2,501,245
Operating surplus for the year	-	349,682	349,682
Other comprehensive income	-	-	-
Transfers between reserves	-	-	-
<b>Balance at 30 June 2020</b>	1,005,409	1,845,518	2,850,927
Operating surplus for the year	-	256,699	256,699
Other comprehensive income	1,323,774	-	1,323,774
Transfers between reserves	-	-	-
Transfers of equity	-	(266,409)	(266,409)
<b>Balance at 30 June 2021</b>	2,329,184	1,835,807	4,164,991

The accompanying notes form part of these financial statements

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		1,054,090	1,248,594
Payments to suppliers and employees		(763,931)	(856,837)
Interest & investment income		4	6
		_____	_____
Net cash generated by/(used in) operating activities	11	290,162	391,763
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(19,168)	(48,029)
		_____	_____
Net cash generated by/(used in) investing activities		(19,168)	(48,029)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(78,719)	(141,291)
Transfer of equity		(270,949)	-
		_____	_____
Net cash generated by/(used in) financing activities		(349,668)	(141,291)
<i>Net increase/(decrease) in cash held</i>		(78,674)	202,443
<b>Cash at beginning of the financial year</b>		696,137	493,694
<b>Cash at end of the financial year</b>	6	617,463	696,137

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for C3 Church Monash Incorporated as an individual entity, incorporated and domiciled in Australia.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profit Commission Act 2012*.

The Church is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**(a) Revenue**

Revenue recognised under AASB 15 is measured at the amount which the Church expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

**Timing of Revenue Recognition**

Revenue is recognised either at a point in time or over time, when (or as) the entity satisfies performance obligations by transferring the promised goods or services to its customers.

If the entity satisfies a performance obligation before it receives the consideration, the entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Any income billed but not received at year end is recorded as part of trade receivables. Amounts unbilled and accrued at year end are recognised as contract assets and recorded as part of accrued income. When income is received prior to the provision of services, a contract liability is recognised in the statement of financial position as unearned income.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Taxation**

No provision for income tax has been raised as the entity is exempt from income tax under Division 50-5 of the *Income Tax Assessment Act 1997*.

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(c) Employee benefits**

Provision is made for the Church's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year are measured at the net present value.

The Church's obligations for long term employee benefits are presented as non-current employee provisions on the Statement of financial position, except where the Church does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(d) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(e) Cash and cash equivalents**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Property, plant and equipment**

Each class of plant and equipment is carried at cost or fair values as indicated, less, where applicable, any accumulated depreciation and impairment losses.

**Land and buildings**

Land and buildings are carried at cost or fair value based on periodic, but at least on a five yearly cycle, valuations by external independent valuers, less accumulated depreciation and impairment losses where applicable. In periods when the land and buildings are not subject to an independent valuation, the committee members conduct internal valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading 'change in fair value of land and buildings'. All other decreases are recognised in profit and loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

**Depreciation and amortisation**

The depreciable amount of all fixed and intangible assets are depreciated or amortised on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation/amortisation rates used for each class of depreciable assets are:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5 – 10.0% (Note deferral of depreciation)
Plant and equipment	10.0 – 100.0%

The assets' residual values and useful lives are reviewed by Committee, and adjusted if appropriate, at each reporting date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**(g) Leases**

At inception of a contract, the Church assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the Church recognises a right-of-use asset (lease asset) and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the entity's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Church is reasonably certain to exercise and incorporate the Church's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as an expense as incurred in the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Church commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately

*Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

*Financial assets*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial instruments (Continued)**

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the above, the Church may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Church may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and
- the Church may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

*Impairment of financial assets*

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The entity recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the entity's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the future direction of conditions at the reporting date, including time value of money where appropriate.

**(i) Comparative figures**

When required by Australian Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Impairment of tangible and intangible assets**

At each reporting date, Committee reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Church estimates the recoverable amount of the cash-generating unit to which the class of asset belongs.

**(k) Critical accounting estimates and judgements**

The Committee evaluate estimates and judgements incorporated in to the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Church.

*Key estimates – Impairment*

The Church assesses impairment at each reporting date by evaluating conditions specific to the Church that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(l) Application of new accounting standards**

The Church has adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Church in either the current or prior financial reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>NOTE 2. TRADING INCOME</b>		
Tithes and offerings	642,739	663,346
PLT and ACT Pastors Day	630	1,410
	643,369	664,756
<b>NOTE 3. OTHER REVENUE</b>		
Building hire	18,139	15,239
Church consulting	16,343	45,096
Government stimulus	103,264	22,000
Miscellaneous	752	1,768
	138,498	84,103
<b>NOTE 4. QUEANBEYAN REVENUE</b>		
Tithes and offerings	55,197	152,373
Building Fund	24,272	99,412
Miscellaneous	25,590	6,021
	105,059	257,806
<b>NOTE 5. BUILDING FUND EXPENSES</b>		
Loan interest	50,785	61,746
Repairs and maintenance	9,427	20,148
Insurance	15,190	13,175
Other	1,046	943
	76,447	96,012
<b>NOTE 6. CASH ON HAND AND AT BANK</b>		
Cash at bank	616,794	695,468
Cash on hand	669	669
	617,463	696,137

**C3 CHURCH MONASH INCORPORATED**  
**ABN 73 794 432 277**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 7. NON-CURRENT ASSETS**

	Building and improvements \$	Audio Visual Equipment	Computer Equipment \$	Furniture & Fittings \$	Office Equipment \$	Low Value Equipment	Queanbeyan assets \$	TOTAL \$
Opening cost	3,526,226	188,731	1,452	175,674	39,783	1,519	23,340	3,956,724
Less: Accumulated depreciation	-	(159,172)	(399)	(137,370)	(36,285)	(1,519)	(9,685)	(344,430)
Opening written down value	3,526,226	29,559	1,053	38,304	3,498	-	13,655	3,612,294
Additions	-	7,150	5,024	2,738	-	3,927	329	19,168
Revaluation recognised in other comprehensive income	1,323,774	-	-	-	-	-	-	1,323,774
Disposals	-	-	-	-	-	-	(23,669)	(23,669)
Reclassifications	-	-	-	-	-	-	-	-
Depreciation	-	8,036	1,093	4,470	1,979	1,519	2,409	21,914
Writeback on disposal	-	-	-	-	-	-	(12,094)	(12,094)
Closing cost	4,850,000	195,880	6,476	178,412	39,783	5,446	-	5,275,996
Less: Accumulated depreciation	-	(167,207)	(1,493)	(141,839)	(38,264)	(5,446)	-	(354,249)
Closing written down value	4,850,000	28,673	4,983	36,573	1,518	-	-	4,921,747

A formal valuation of Buildings and Improvements has been undertaken by the certified practising valuers, Martin Elliot and Greg Cummins from Knight Frank as at 24 June 2021. The Executive Committee have determined that the valuation obtained represents the fair value of the Building and Improvements as at 30 June 2021.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>NOTE 8. TRADE AND OTHER PAYABLES</b>		
Trade creditors	20,820	15,900
Credit cards	4,988	1,526
Superannuation payable	2,371	-
Amounts payable to the ATO	-	1,012
Unused pastoral benefits	10,617	9,658
	<u>38,796</u>	<u>28,096</u>

**NOTE 9. BORROWINGS**

<i>Current</i>		
Mortgage	127,921	192,061
	<u>127,921</u>	<u>192,061</u>
 <i>Non-current</i>		
Mortgage	1,136,748	1,151,328
	<u>1,136,748</u>	<u>1,151,328</u>
	<u>1,264,669</u>	<u>1,343,381</u>

**NOTE 10. PROVISIONS**

**Analysis of total provision**

	<b>Long Service Leave</b>	<b>Annual Leave</b>
<b>Provisions</b>		
Opening balance as at 1 July 2020	35,801	57,043
Net movement in balance	2,939	(24,005)
Balance as at 30 June 2021	<u>38,740</u>	<u>33,038</u>
<i>Current</i>	38,740	33,038
<i>Non-current</i>	-	-
	<u>38,740</u>	<u>33,038</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>NOTE 11. CASH FLOW RECONCILIATION</b>		
<i>Cash as per:</i>		
Statement of financial position	6 617,463	696,137
Statement of cash flows	<u>617,463</u>	<u>696,137</u>
 <i>Reconciliation of surplus/(deficit) from operating activities to net cash provided by / (used in) operating activities</i>		
Surplus from ordinary activities	<u>256,699</u>	<u>349,682</u>
 <i>Adjustments for non-cash &amp; other items</i>		
Depreciation	21,914	26,066
Other non-cash adjustments on transfer	16,114	918
 <i>Movements in assets and liabilities</i>		
Decrease/(increase) in receivables	5,801	6,578
Increase/(decrease) in creditors	10,700	(3,225)
Increase/(decrease) in employee provisions	(21,065)	11,744
	<u>290,162</u>	<u>391,763</u>

**NOTE 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Church's financial instruments consist mainly of deposits with banks, local money market instruments, short and long term investments, accounts receivable and payable.

The totals for each category have been presented above and are measured in accordance with applicable Australian Accounting Standards as detailed in the accounting policies detailed at Note 1.

**Specific financial risk exposures and management**

The main risks the Church is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Church.

The Church does not have any material credit risk exposure as its major source of revenue is the receipt of subscriptions, funding for specific activities and Government funding.

***Credit risk exposures***

The maximum exposure to credit risk by class of recognised financial assets (net of any provision) are presented in the Statement of Financial Position. Trade and other receivables that are neither past due or impaired are considered to be of high credit. Aggregates of such amounts are detailed in Note 3.

The Church has no significant concentration of credit risk exposure to any single counterparty.

Credit risk related to balances with banks and other financial institutions are managed in accordance with Church policy and is monitored by the Committee.

**Liquidity risk**

Liquidity risk arises from the possibility that the Church might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Church manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to operational, investing and financing activities;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profiles of financial assets.

**Market risk**

Market risk arises from the following:

- Interest rate risk – where a future change in interest rates will affect future cash flows or the fair value of the fixed asset; and
- Price risk – where a change in market prices of securities affect the future cash flows.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

Net fair values

Fair values are those amounts at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair values of financial assets and liabilities are the same as the net carrying values presented in the Statement of financial position.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cashflow analysis and other valuation techniques commonly used by market participants. Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Church. Most of these instruments which are carried at amortised cost (i.e. trade receivables and borrowings) are to be held until maturity and the net fair value figures calculated bear little relevance to the Church.

**NOTE 13. EVENTS AFTER THE BALANCE DATE**

Our Senior Ministers have announced they will be transitioning out of their roles over the coming 12-18 months. A transition plan and framework is in the process of being developed which, in the short-medium term, will see greater responsibility being carried by the church's Pastoral Executive Team with support from the Executive Committee.

There have not been any other matter or circumstance that has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Church or the results of those operations, or the state of the Church in future financial years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 14. CONTINGENT ASSETS AND LIABILITIES**

The Executive Committee believe there are no contingent liabilities or assets as at 30 June 2021 which require disclosure in the financial statements.

**NOTE 15. KEY MANAGEMENT PERSONNEL AND RELATED PARTIES**

Key management personnel is defined by AASB 124 “Related Party Disclosures” as those persons having authority and responsibility for planning, directing and controlling the activities of the Church directly or indirectly.

Members of the Executive Committee are not remunerated for undertaking this role.

The total remuneration paid to other key management personnel of the Association is \$152,389 (2020: \$153,389).

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more or less favourable than those available to other parties unless otherwise stated.

**NOTE 16. CAPITAL MANAGEMENT**

The Committee controls the capital of the Church to ensure that adequate cash flows are generated to fund operations. The Committee is responsible for the overall risk management strategy.

The Church's capital consists of financial liabilities, supported by financial assets.

The Committee effectively manages the Church's capital by assessing the Church's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The Church does not have a formal policy on capital management and gearing ratios.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 17. STATUTORY INFORMATION**

The registered office for the Church is:

C3 Church Monash Incorporated  
184 Clive Steele Avenue  
Monash ACT 2904.

**NOTE 18. SEGMENT INFORMATION**

The Church operates in a single business segment and principally in the Australian Capital Territory.

**NOTE 19. MEMBERS OF EXECUTIVE COMMITTEE**

The members of Executive Committee either through the year or at the date of this report are:

- Steven Roy White
- Andrew Kingston
- Deanna Barilaro
- Ben Rundle.

Ben Aiken, the Public Officer, is an ex-officio member of the Executive Committee.



AccountAbility (ACT) Pty Ltd  
ACN: 088 095 354

PO Box 776, Mitchell ACT 2911

Telephone: 02 6170 6870

Email: [admin@accountability-act.com.au](mailto:admin@accountability-act.com.au)  
[www.accountability-act.com.au](http://www.accountability-act.com.au)

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## INDEPENDENT AUDITOR'S REPORT TO THE C3 CHURCH MONASH INCORPORATED

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of the C3 Church Monash Incorporated (the *Church*), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Executive Committee.

In my opinion the financial report of the C3 Church Monash Incorporated 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 Church's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Church 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Other Information**

The Executive Committee is responsible for any other information which reports on the financial position or annual financial performance of the Church. The other information comprises that included in external reports prepared by the Church and made available to the public, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Executive Committee for the Financial Report**

The Executive Committee of the Church is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Executive Committee determine is necessary to enable the preparation 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 the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

The Executive Committee is responsible for the Church's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I 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 my 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 Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Church.
- Conclude on the appropriateness of the Church'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 Church's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Church 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.

I communicate with the Church regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

#### **AccountAbility**



**Anthony Wilson**  
**Registered Company Auditor**  
**Canberra, ACT**  
**1 November 2021**