SAWARD DAWSON

chartered accountants

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Financial Statements for the year ended
30 June 2017

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Contents

For the Period Ending 30 June 2017

Churches of Christ Financial Services Ltd

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Auditor's Independence Declaration To the Directors of Churches of Christ Financial Services Ltd

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2017, there have been:

(i) no contraventions of the auditor independence requirements as set out in Division 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Jeffrey Tulk
Partner

Blackburn, VIC

Dated:

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 June 2017

	Note	1 December 2016 - 30 June 2017 $
Revenue	2	**3,593,137**
Distribution to Investors		**(1,163,246)**
Insurance premium expense		**(992,279)**
Employee benefits expense		**(442,846)**
Interest expense		**(387,701)**
Office and administration expense		**(147,570)**
Rental expense		**(44,197)**
Grants & Sponsorship		**(185,165)**
Motor vehicle expense		**(8,701)**
Legal and statutory expense		**(56,144)**
Consultants expense		**(24,890)**
Software and licensing fees		**(54,355)**
Depreciation and amortisation expense		**(20,117)**
Bank fees and charges		**(37,947)**
Marketing and promotion		**(34,917)**
Deficit for the period		**(6,938)**
Other comprehensive income:		
Other comprehensive income		**-**
Total comprehensive income for the period		**(6,938)**

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Statement of Financial Position

As At 30 June 2017

	Note	1 December 2016 - 30 June 2017 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3	**831,944**
Trade and other receivables	4	**1,491,410**
Other financial assets	5	**42,275,473**
Other assets	6	**2,338,994**
TOTAL CURRENT ASSETS		**46,937,821**
NON-CURRENT ASSETS		
Trade and other receivables	4	**18,444,111**
Other assets	6	**2,106,085**
Property, plant and equipment	7	**193,620**
TOTAL NON-CURRENT ASSETS		**20,743,816**
TOTAL ASSETS		**67,681,637**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8	**1,608,294**
Borrowings	9	**30,795,378**
Short-term provisions		**30,000**
Other liabilities	10	**1,855,053**
Employee benefits	11	**119,483**
TOTAL CURRENT LIABILITIES		**34,408,208**
NON-CURRENT LIABILITIES		
Borrowings	9	**979,243**
Other liabilities	10	**29,130,377**
Employee benefits	11	**15,128**
TOTAL NON-CURRENT LIABILITIES		**30,124,748**
TOTAL LIABILITIES		**64,532,956**
NET ASSETS		**3,148,681**
EQUITY		
Issued capital		**3,000,000**
Reserves		**155,619**
Retained earnings		**(6,938)**
		3,148,681
TOTAL EQUITY		**3,148,681**

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Statement of Changes in Equity

For the Period Ending 30 June 2017

2017

	Retained Earnings	Contributed Equity	Insurance Reserve	Total
	$	$	$	$
Balance at 1 December 2016	-	-	-	-
Deficit for the period	(6,938)	-	-	(6,938)
Transactions with owners	-	3,000,000	155,619	3,155,619
Balance at 30 June 2017	(6,938)	3,000,000	155,619	3,148,681

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Statement of Cash Flows
For the Period Ending 30 June 2017

	Note	1 December 2016 - 30 June 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payment to suppliers and employees		(2,699,924)
Insurance income received		1,877,741
Interest received		819,266
Other income received		239,890
Interest paid		(441,108)
Net cash used in operating activities	20	(204,135)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of term deposits		384,847
Payment for property, plant and equipment		(32,489)
Loan to churches		(1,039,614)
Net cash used by investing activities		(687,256)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributed equity		1,000,000
Transfer from the Properties Corporation of the Churches of Christ		1,309,730
Borrowings procured		(463,124)
Redemption of deposits		(123,271)
Net cash used by financing activities		1,723,335
Net increase/(decrease) in cash and cash equivalents held		831,944
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of the period	3	831,944

The accompanying notes form part of these financial statements.

The financial report covers Churches of Christ Financial Services Ltd as an individual not-for-for profit Company, registered and domiciled in Australia. Churches of Christ Financial Services started trading on 1 December 2016.

The functional and presentation currency of Churches of Christ Financial Services Ltd is Australian dollars.

1 Summary of Significant Accounting Policies

Basis of preparation

Churches of Christ Financial Services Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are 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.

a) Revenue

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 Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from the rendering of services are recognised upon the delivery of the service period.

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

Interest and other investment revenue

Interest and other investment revenues are recognised on a proportional basis taking into account the investment rates applicable to the financial assets.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

b) Plant and equipment

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

Basis of preparation

b) Plant and equipment

Items of plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment, is depreciated on a straight-line basis over the assets useful life to the Company, 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	33%

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.

c) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

d) Financial instruments

Churches of Christ Financial Services Ltd has elected to apply AASB 9 Financial Instruments as issued in December 2014.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when Churches of Christ Financial Services Ltd becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, directly attributable to the acquisition of the financial asset.

Basis of preparation

d) Financial instruments

Classification and subsequent measurement

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Basis of preparation

e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

f) Employee benefits

Provision is made for the Company'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.

g) 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.

h) 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.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

i) Income taxes

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

Churches of Christ Financial Services Ltd are registered as a Charity with the Australian Charities and Not-for-profits Commission.

Basis of preparation

j) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 company.

The organisation assesses impairment at each reporting date by evaluating conditions specific to the organisation that may lead to impairment of assets. Where an impairment exists, the recoverable amount of the asset is determined.

The directors have reviewed the debtor's ability to settle their debts. A conservative approach has been taken and a specific provision made where it is considered that full recovery of the debt is doubtful.

k) Provision for self-funded claims losses

The company purchases insurance cover for Churches of Christ churches and agencies across Australia. The cost of this cover is passed on to those churches and agencies. A feature of the program is that the company bears a portion of the potential loss claims; that portion is limited and set annually.

The self-insurance claim limit is recorded annually as an insurance claims provision, with eventual claims being charged against the provision for the applicable year. Claims in excess of the provision are recoverable from its insurance underwriters, while residual credits in the provision are carried forward until, in the opinion of the directors, they are no longer required.

l) Adoption of new Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Company where the standard is relevant:

- AASB 9: Financial Instruments

Churches of Christ Financial Services has chosen to early adopt. The impacts are outlined in Note 1 (d).

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

Basis of preparation

l) Adoption of new Accounting Standards and Interpretations

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and

- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

It is unlikely that this standard will have a significant impact on the company.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer,

- identify the performance obligations in the contract(s),

- determine the transaction price,

- allocate the transaction price to the performance obligations in the contract(s), and

- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the organisation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Basis of preparation

l) Adoption of new Accounting Standards and Interpretations

- AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations. The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: Contributions.

Although the board anticipate the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

2 Revenue

	1 December 2016 - 30 June 2017
	$
- Insurance fees	1,376,027
- Loan interest income	722,858
- Income from cash investments	188,368
- Managed Fund Income	1,163,246
- Bank interest income	59,314
- Other income	83,325
Total Revenue	3,593,137

3 Cash and Cash Equivalents

Cash at bank and in hand	830,754
Short-term deposits	1,190
	831,944

4 Trade and Other Receivables

CURRENT	
Trade receivables	656,805
Loans to churches	531,810
GST receivable	302,795
	1,491,410
NON-CURRENT	
Loan to churches	18,444,111
	18,444,111

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5 Other Financial Assets

CURRENT	
Held to maturity investments - Term deposits	13,145,096
Fair value - Managed funds	29,130,377
	42,275,473

6 Other Assets

	1 December 2016 - 30 June 2017 $
CURRENT	
Prepayments	1,231,177
Accrued income - managed funds and investments	1,107,817
	2,338,994
NON CURRENT	
Loan to the Properties Corporation of the Churches of Christ	2,106,085
	2,106,085

7 Plant and equipment

Motor vehicles	
At cost	101,299
Accumulated depreciation	(31,346)
Total motor vehicles	69,953
Computer equipment	
At cost	338,258
Accumulated depreciation	(214,591)
Total computer equipment	123,667
Total plant and equipment	193,620

a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Motor Vehicles $	Computer Equipment $	Total $
Period ended 30 June 2017			
Balance at the beginning of period	-	-	-
Transfer from the Properties Corporation of the Churches of Christ	56,776	124,472	181,248
Additions	14,002	18,487	32,489
Disposals	-	-	-
Depreciation expense	(825)	(19,292)	(20,117)
Balance at the end of the period	69,953	123,667	193,620

8 Trade and Other Payables

	1 December 2016 - 30 June 2017 $
Current	
Trade payables	**76,881**
Sundry creditors and other accrued expenses	**1,310,189**
Other payables	**221,224**
	1,608,294

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

9 Borrowings

CURRENT	
Unsecured liabilities:	
Term deposits	**14,825,462**
Deposits at call	**15,969,916**
	30,795,378
NON CURRENT	
Term deposits	**979,243**
	979,243

a) Financing arrangements

The company has an unused Commercial Advance facility with BankWest as at 30 June 2017. This facility is secured by a first mortgage over the property at 582 Heidelberg Road, Alphington, Victoria which is legally owned by The Properties Corporation of the Churches of Christ.

10 Other Liabilities

CURRENT	
Income in advance	**1,855,053**
NON CURRENT	
Loan from The Properties Corporation of the Churches of Christ (managed funds)	**29,130,377**

11 Employee Benefits

	1 December 2016 - 30 June 2017 $
Current liabilities	
Annual leave	**51,190**
Long service leave	**68,293**
	119,483
Non-current liabilities	
Long service leave	**15,128**

12 Leasing Commitments

a) Operating leases

Minimum lease payments under non-cancellable operating leases:	
- not later than one year	**86,350**
	86,350

Operating leases are in place for the banking software and has term of 5 years ending May 2018. Lease payments are indexed on CPI each year.

13 Financial Risk Management

Financial Assets	
Cash and cash equivalents	**831,944**
Available for sale financial assets	**29,130,377**
Held-to-maturity financial assets	**13,145,096**
Total financial assets	**43,107,417**
Financial Liabilities	
Trade and other payables	**1,608,294**
Borrowings	**30,795,378**
Total financial liabilities	**29,187,084**

14 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 20 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 5.

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company for the period is $ 362,734. Directors of the company are not remunerated.

16 Contingencies

In the opinion of those charged with governance, the Company did not have any contingent liabilities at 30 June 2017.

17 Related Parties

a) The Company's main related parties are as follows:

The Properties Corporation of the Churches of Christ is the founder and member of Churches of Christ Financial Services.

The Churches of Christ in Victoria & Tasmania Incorporated is the denominational body for the Churches of Christ in Victoria and Tasmania and is a related party of The Properties Corporation of the Churches of Christ and Churches of Christ Financial Services

Key management personnel - refer to Note 15.

b) Transactions with related parties

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

The following transactions occurred with related parties:

The Properties Corporation of the Churches of Christ

1. Initial Contribution

On 1st December 2016 a Business Transfer Deed was signed between Churches of Christ Financial Services Ltd and The Properties Corporation of the Churches of Christ. The deed was for the transfer of certain assets and liabilities from The Properties Corporation of the Churches of Christ to the Churches of Christ Financial Services Ltd. Below are a list of the assets and liabilities transferred:

	$
Cash and Cash Equivalents	**773,731**
Term deposits and managed funds	**13,681,466**
Loans to Churches	**15,814,558**
Plant and equipment	**179,867**
Other assets	**3,345,208**
Term deposits and deposits at call	**(34,063,901)**
Other liabilities	**(359,313)**
Income in advance	**(746,994)**

2. Transactions and balances at year end

		Balance outstanding at 30 June 2017	
	Other	Owed to the company	Owed by the company
	$	$	$
Loan payable (managed funds)	-	-	29,130,677
Loan receivable	-	2,140,629	-
Trade receivables	-	285,548	-
Trade payables	-	-	17,813
Share capital	3,000,000	-	-
Distribution (managed funds)	1,163,246	-	-

Churches of Christ in Victoria & Tasmania Incorporated

1. Transactions

		Balance outstanding at 30 June 2017	
	Other $	Owed to the company	Owed by the company
Corporate Services provided	40,000	-	-
Grants paid	150,000	-	-

c) Loans to/from related parties

The loan from The Properties Corporation of the Churches of Christ is unsecured and repayable in cash.

18 Reserves

a) Insurance reserve

The insurance reserve records funds set aside to cover future costs in obtaining valuation services for insurance purposes and to deliver the Redbook program.

19 Events after the end of the Reporting Period

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Cash Flow Information

a) Reconciliation of result for the period to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017
	$
Deficit for the period	(6,938)
Non-cash flows in deficit:	
- depreciation	20,117
- non-cash managed fund income	(204,256)
Changes in assets and liabilities:	
- (increase)/decrease in trade and other receivables	(1,896,787)
- (increase)/decrease in other assets	(736,768)
- increase/(decrease) in trade and other payables	1,541,866
- increase/(decrease) in other liabilities	944,020
- increase/(decrease) in employee benefits	134,611
Cashflows from operations	(204,135)

21 Entity Information

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

Churches of Christ Financial Services Ltd
582 Heidelberg Rd
FAIRFIELD VIC 3078

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Directors' Declaration

The directors declare that, in the directors' opinion:

1. The financial statements and notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

   a) comply with the Australian Accounting Standards - Reduced Disclosures Requirements; and

   b) give a true and fair view of the financial position of the company as at 30 June 2017 and of its performance for the period ended on that date.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director ....

Director ....

Dated this ......30...... day of ..NOVEMBER.. 2017

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Independent Audit Report to the members of Churches of Christ Financial Services Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Churches of Christ Financial Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and directors' declaration.

In our opinion, the accompanying financial report has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the period ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors and Those Charged with Governance

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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SAWARD / DAWSON
chartered accountants

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Independent Audit Report to the members of Churches of Christ Financial Services Ltd

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 the directors 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.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner
Blackburn
Dated: 30 November 2017

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