

Churches of Christ Financial Services Ltd
ABN: 86 165 535 866

Financial Statements
For the Year Ended 30 June 2023

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

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For the Year Ended 30 June 2023

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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 year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out under Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* 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: 24 October 2023

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	2	4,378,611	2,807,693
Employee benefits expense		(1,375,662)	(1,117,670)
Term deposit and deposit at call interest expense		(1,173,076)	(506,978)
Office and administration expense		(405,241)	(440,601)
Rental expense		(44,182)	(44,182)
Grants and sponsorships		-	(500)
Motor vehicle expense		(30,229)	(25,013)
Legal and statutory expense		(27,313)	(12,804)
Consultants expense		(24,252)	(21,991)
Software and licensing fees		(203,378)	(165,449)
Depreciation and amortisation expense		(41,095)	(51,471)
Bank fees and charges		(2,144)	(2,496)
Marketing and promotion		(12,786)	(8,665)
Grant to CCVT		(175,000)	(135,000)
Surplus/(Deficit) for the year		864,253	274,873

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

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Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	16,925,969	8,489,373
Trade and other receivables	5	1,649,690	1,649,551
Other financial assets	6	141,000	3,641,000
Other assets	8	78,032	79,250
TOTAL CURRENT ASSETS		18,794,691	13,859,174
NON-CURRENT ASSETS			
Trade and other receivables	5	62,205,244	48,320,093
Property, plant and equipment	7	48,696	83,770
TOTAL NON-CURRENT ASSETS		62,253,940	48,403,863
TOTAL ASSETS		81,048,631	62,263,037
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	552,105	452,481
Borrowings	10	73,561,989	55,318,285
Other liabilities	11	18,693	17,135
Employee benefits	12	287,085	274,541
TOTAL CURRENT LIABILITIES		74,419,872	56,062,442
NON-CURRENT LIABILITIES			
Borrowings	10	2,505,909	2,949,749
Employee benefits	12	15,334	7,583
TOTAL NON-CURRENT LIABILITIES		2,521,243	2,957,332
TOTAL LIABILITIES		76,941,115	59,019,774
NET ASSETS		4,107,516	3,243,263
EQUITY			
Contributed capital		3,000,000	3,000,000
Retained earnings		1,107,516	243,263
TOTAL EQUITY		4,107,516	3,243,263

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Contributed Equity	Total
	\$	\$	\$
Balance at 1 July 2022	243,263	3,000,000	3,243,263
Surplus/(deficit) for the year	864,253	-	864,253
Balance at 30 June 2023	1,107,516	3,000,000	4,107,516

2022

	Retained Earnings	Contributed Equity	Total
	\$	\$	\$
Balance at 1 July 2021	(31,610)	3,000,000	2,968,390
Surplus/(deficit) for the year	274,873	-	274,873
Balance at 30 June 2022	243,263	3,000,000	3,243,263

Churches of Christ Financial Services Ltd

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Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payment to suppliers and employees		(2,226,954)	(2,182,875)
Interest received		3,319,134	1,848,869
Other income received		1,068,483	1,327,523
Interest paid		(1,173,076)	(506,978)
Net cash used in operating activities	19	<u>987,587</u>	<u>486,539</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Redemption (Placement) of term deposits		3,500,000	862,610
Loan to churches		(13,884,487)	(7,112,098)
Payment for property, plant and equipment		(15,236)	(58,080)
Proceeds from sale of property, plant and equipment		49,500	11,000
Other		(632)	(1,669)
Net cash used by investing activities		<u>(10,350,855)</u>	<u>(6,298,237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings procured/(repaid)		<u>17,799,864</u>	<u>(144,300)</u>
Net cash used by financing activities		<u>17,799,864</u>	<u>(144,300)</u>
Net increase/(decrease) in cash and cash equivalents held		8,436,596	(5,955,998)
Cash and cash equivalents at beginning of year		<u>8,489,373</u>	<u>14,445,371</u>
Cash and cash equivalents at end of financial year	4	<u><u>16,925,969</u></u>	<u><u>8,489,373</u></u>

The accompanying notes form part of these financial statements.

Churches of Christ Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2023

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

Churches of Christ Financial Services exists to support church growth and development through innovative, competitive and cost effective financial and related services tailored to the unique needs of Christian mission. Its primary activities are providing loans for church growth and term debentures for investing in church mission and providing complementary financial services and resources to churches, departments and agencies.

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

1 Summary of Significant Accounting Policies

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures 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

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligation is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

a) Revenue

Corporate and Management Services Income

The Company receives income for services provided to related entities. Revenue is recognised as the Company becomes entitled to the income.

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 less, where applicable, any accumulated depreciation and impairment.

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 asset's 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
Computer Equipment	20%
Motor Vehicles	25%
Office Equipment	10%

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

c) Financial instruments

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, 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

c) Financial instruments

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

c) Financial instruments

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

d) 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.

e) Employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur

f) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of preparation

g) 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.

h) 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.

i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

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. Credit losses are determined as the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Churches of Christ Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Revenue

	2023	2022
	\$	\$
Loan interest income	3,170,044	1,874,279
Income from cash investments	226,318	58,719
Bank interest income	193,076	9,609
Corporate and Management Services Income	716,145	820,794
Other income	73,028	44,292
Total Revenue	4,378,611	2,807,693

3 Expenses

Employee benefits

Wages (excluding super)	1,234,446	1,007,400
Superannuation	135,954	108,085
Total	1,370,400	1,115,485

Auditor fees

Audit and preparation of the financial reports	21,000	20,000
AFSL Compliance	2,200	2,000
Total	23,200	22,000

4 Cash and Cash Equivalents

Cash at bank and in hand	16,925,969	8,489,373
	16,925,969	8,489,373

5 Trade and Other Receivables

CURRENT

Trade receivables	1,712	1,119
Loans to churches and other entities	1,636,003	1,636,667
GST receivable	11,975	11,765
	1,649,690	1,649,551

NON-CURRENT

Loan to churches and other entities	62,205,244	48,320,093
	62,205,244	48,320,093

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
Held to maturity - term deposits	141,000	3,641,000
	<u>141,000</u>	<u>3,641,000</u>

7 Plant and equipment

PLANT AND EQUIPMENT

Motor vehicles

At cost	52,351	148,180
Accumulated depreciation	(20,051)	(88,187)
Total motor vehicles	<u>32,300</u>	<u>59,993</u>

Office equipment

At cost	322	2,665
Accumulated depreciation	(10)	(642)
Total office equipment	<u>312</u>	<u>2,023</u>

Computer equipment

At cost	290,852	275,939
Accumulated depreciation	(274,768)	(254,185)
Total computer equipment	<u>16,084</u>	<u>21,754</u>

Total property, plant and equipment	<u>48,696</u>	<u>83,770</u>
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a) Movements in carrying amounts of property, plant and equipment

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

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	59,993	2,023	21,754	83,770
Additions	-	323	14,913	15,236
Disposals	(7,458)	(1,757)	-	(9,215)
Depreciation expense	(20,235)	(277)	(20,583)	(41,095)
Balance at the end of the year	<u>32,300</u>	<u>312</u>	<u>16,084</u>	<u>48,696</u>

Churches of Christ Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2023

8 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	75,731	61,542
Accrued income - managed funds and interest	2,301	17,708
	<u>78,032</u>	<u>79,250</u>

9 Trade and Other Payables

CURRENT		
Trade payables	18,672	21,623
Sundry creditors and other accrued expenses	264,648	190,943
Other payables	268,785	239,915
	<u>552,105</u>	<u>452,481</u>

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.

10 Borrowings

CURRENT		
Unsecured liabilities:		
Term deposits	40,587,614	29,105,682
Deposits at call	32,974,375	26,212,603
	<u>73,561,989</u>	<u>55,318,285</u>
NON CURRENT		
Term deposits	2,505,909	2,949,749
	<u>2,505,909</u>	<u>2,949,749</u>
Total borrowings	<u>76,067,898</u>	<u>58,268,034</u>

Churches of Christ Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Other Liabilities

	2023	2022
	\$	\$
CURRENT		
Income in advance	18,693	17,135
	<u>18,693</u>	<u>17,135</u>

12 Employee Benefits

CURRENT		
Annual leave	122,042	126,046
Long service leave	165,043	148,495
	<u>287,085</u>	<u>274,541</u>
NON CURRENT		
Long service leave	15,334	7,583
	<u>15,334</u>	<u>7,583</u>

13 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 2023 the number of members was 1 (2022: 1).

14 Financial Risk Management

Financial Assets

Cash and cash equivalents	4	16,925,969	8,489,373
Loans to churches	5	63,267,788	49,382,637
Financial assets	6	141,000	3,641,000
Total financial assets		<u>80,334,757</u>	<u>61,513,010</u>

Financial Liabilities

Trade and other payables	9	552,105	452,481
Current Borrowings	10	73,561,989	55,318,285
Non-current borrowings	11	2,505,909	2,949,749
Total financial liabilities		<u>76,620,003</u>	<u>58,720,515</u>

Churches of Christ Financial Services Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2023

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company for the period is \$860,145 (2022: \$835,853). Directors of the company are not remunerated.

16 Contingencies

In the opinion of the Directors, the Company did not have any contingent liabilities at 30 June 2023.

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 sole 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.

Corporate service charges are based on a cost allocation including wages based on an estimated proportion of cost over time incurred in relation to related entities.

The following transactions and balances at year end with related parties:

	2023	2022
	\$	\$
Loans Receivable		
Churches of Christ Community Childcare for Mission Ltd	6,510,927	6,541,094
Church Mission Enterprises Ltd	573,459	574,123
Key Management Personnel	47,585	53,163
Total Loans Receivable	7,131,971	7,168,380

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Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Related Parties

	2023	2022
	\$	\$
Trade Receivables		
Churches of Christ Community Childcare For Mission Ltd	-	1,057
Church Mission Enterprises Ltd	1,248	62
Total Trade Receivables	1,248	1,119
Trade Payables		
Church Mission Enterprises Ltd	1,102	-
Churches of Christ Vic & Tas	-	358
The Properties Corporation of Churches of Christ	-	74
Total Trade Payables	1,102	432
Borrowings		
Term Deposits		
Churches of Christ in Vic & Tas	161,964	202,709
Total Term Deposits	161,964	202,709
Deposits at Call		
The Properties Corporation of Churches of Christ	11,076,623	3,669,978
Churches of Christ in Vic & Tas	1,624,799	1,940,787
Church Mission Enterprises Ltd	675,985	1,043,973
Churches of Christ Tasmania	390,221	1,315,231
Churches of Christ Community Care	395,190	474,533
Churches of Christ Community Childcare for Mission Ltd	325,773	254,339
Key Management Personnel	10,761	33,143
Total Deposits at Call	14,499,352	8,731,984
Corporate Services Income		
Church Mission Enterprises Ltd	301,572	463,268
Churches of Christ in Vic & Tas	156,284	205,148
Churches of Christ Community Childcare for Mission Ltd	35,509	74,865
The Properties Corporation of Churches of Christ	156,343	69,576
Churches of Christ Community Care	9,498	7,936
Total Corporate Services Income	659,206	820,793

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Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Related Parties

	2023	2022
	\$	\$
Loan Interest Income		
Churches of Christ Community Childcare for Mission Ltd	446,274	144,595
Key Management Personnel	3,136	486
Loan interest paid on behalf of churches via CCVT Capital Development Fund	129,614	96,472
Total Interest Income	579,024	241,553
Expenses		
Grant to Churches of Christ in Vic & Tas	175,000	135,000
Corporate Services Fee to Churches of Christ in Vic & Tas	135,000	55,254
Rent to The Properties Corporation of Churches of Christ	44,182	44,182
Total Expenses	354,182	234,436
Guaranteed Loans		
Limited recourse guarantee by Churches of Christ Vic & Tas	13,128,204	15,707,373
Limited recourse guarantee by Churches of Christ Tasmania	10,256,280	9,828,820
GAP loans guaranteed by Churches of Christ Vic & Tas	3,519,820	4,052,123
Total Guaranteed Loans	26,904,304	29,588,316

Average interest rates on term deposits during the year ended 30 June 2023 were as follows:

Term 24 months - 3.26% (2022: 1.075%)
Term 12 months - 3.13% (2022: 0.9%)
Term 6 months - 1.75% (2022: 0.6%)
Term 90 days - 1.19% (2022: 0.4%)

Average interest rates on deposit accounts during the year ended 30 June 2023 were as follows:

Access 31 - 0.35% (2022: 0.35%)
Easy Access - 0.05% (2022: 0.05%)
Long Service Leave Accumulator - 0.4% (2022: 0.4%)
Ministers Expense Account - 0.23% (2022: 0.2%)
Online Accumulator - 0.59% (2022: 0.2%)

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Events after the end of the Reporting Period

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

19 Cash Flow Information

Reconciliation of result for the period to cashflows from operating activities

	2023	2022
	\$	\$
Surplus/(deficit) for the period	864,253	274,873
Non-cash flows in surplus/(deficit):		
- depreciation	41,095	51,471
- net (gain)/loss on disposal of property, plant and equipment	(40,285)	(11,000)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(803)	320,707
- (increase)/decrease in other assets	1,850	(823)
- increase/(decrease) in trade and other payables	99,624	(157,347)
- increase/(decrease) in other liabilities	1,558	47
- increase/(decrease) in employee benefits	20,295	8,611
Cashflows from operations	987,587	486,539

20 Entity Information

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

Churches of Christ Financial Services Ltd
Level 5, 111 Cecil Street
SOUTH MELBOURNE VIC 3205

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 - Simplified Disclosures; and other mandatory professional reporting requirements; and
 - b) give a true and fair view of the financial position of the company as at 30 June 2023 and of its performance, as represented by the results of the company's operations and their cash flows, for the financial period ended on that date.
- 2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

DocuSigned by:

Director 26318183A01B413.....

DocuSigned by:

Director CD2E92C43D584B5.....

Dated this 23rd day of October 2023

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 financial report of Churches of Christ Financial Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Div 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 of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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.

Churches of Christ Financial Services Ltd

ABN: 86 165 535 866

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

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



Jeffrey Tulk

Partner

Blackburn

Dated: 24 October 2023