ANGLICAN DIOCESE OF MELBOURNE

ANGLICAN PARISH OF DIAMOND CREEK

ABN 24 207 330 346

FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DIOCESE OF MELBOURNE
ANGLICAN PARISH OF DIAMOND CREEK

INCOME STATEMENT – GENERAL FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 $'000	2021 $'000
Revenue			
Offerings		485	514
Investment income		4	4
Rental income		26	8
Jobkeeper Grant		0	90
Other Grants		48	1
Other income		29	18
Total Revenue		**592**	**635**
Expenses			
Ministry Staff expenses		(358)	(361)
Jobkeeper supplementary wages		(0)	(5)
Ministry Support expenses		(76)	(75)
Diocesan assessment		(70)	(57)
Mission Partners		(72)	(77
Property expenses		(16)	(20)
Other expenses		(44)	(32)
Total Expenses		**(636)**	**(627)**
Surplus / (deficit) for the year from ordinary activities	2	(44)	8
Depreciation	6	(19)	(17)
Surplus/(deficit) for the year		**(63)**	**(9)**

INCOME STATEMENT – SPECIAL FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 $'000	2021 $'000
Revenue			
Capital Works donations		65	22
Other income		1	4
Expenses			
Minor Capital Equipment	1(f)	(9)	(14)
Major Property Works	1(f)	(197)	0
Reduction in value of Trust		(2)	0
Surplus/(Deficit) for the year from special activities		**(142)**	**12**
Total comprehensive surplus / (deficit) for the year		**(205)**	**3**

The above Income Statements should be read in conjunction with the accompanying notes.

ANGLICAN DIOCESE OF MELBOURNE
ANGLICAN PARISH OF DIAMOND CREEK

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	2022 $'000	2021 $'000
ASSETS			
Cash and cash equivalents	3	233	97
Trade and other receivables	4	9	7
Investments	5	62	263
Fixed Assets	6	218	227
Total assets		**522**	**594**
LIABILITIES			
Trade and other payables	7	(7)	(21)
Staff Accruals & Provisions	8	(38)	(33)
Loans - Current	9	(9)	0
Loans – Non-Current	9	(125)	0
Total liabilities		**(179)**	**(54)**
Net assets		343	**540**
EQUITY			
Asset Revaluation Reserve	1(f)/11	243	235
Accumulated surplus	10	100	305
Total equity		**343**	**540**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Anglican Parish of Diamond Creek ("the Parish"), is a Parish Church in the Anglican Diocese of Melbourne. The Parish is governed by various acts of the Victorian State Parliament and the *Acts of Synod*. In accordance with the *Parish Governance Act 2013*, the Churchwardens have the responsibility for the preparation of the Parish's financial statements.

The principal activity of the Parish is - Know Jesus, Make Jesus Known.

Covid-19

The Parish completed the year in a sound financial position notwithstanding the impact of the major disruption to the 'normal' ministry activity of the Church. For this we are thankful to God and the support of the Church community.

The principal impact of the Virus and its ongoing effects on the financial affairs of the Parish is;

> **Income & Expenses.** As the Government imposed restrictions have been slowly reduced, there has been a resulting slowness in the return to pre-Covid ministry activities. The Parish Council agreed to maintain staff during the year, however, income has not yet returned to pre-Covid levels. These factors have resulted in the Parish incurring a deficit for the year which has been funded from reserves accumulated in prior years.

Basis of Preparation

The Parish is not a reporting entity because, in the opinion of the Churchwardens, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared for the benefit of the Parishioners and for the purpose of complying with the *Parish Governance Act 2014* and must not be used for any other purpose.

The Accounts for 2021 and 2022 have been prepared on an accrual basis. Disclosures have been included in the Notes to the extent the Churchwardens believe they provide meaningful information to users. The financial statements are prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value. Unless otherwise stated the accounting policies are consistent with those of the previous year.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

(a) Revenue Recognition

Offerings and donations are recognised as revenue when cash is received. Where funds have been received for a specific ministry or project but are unspent at year end, they are disclosed as specified purpose reserves.

Grants are recognised as income as they are received. Where grants relate to activities not yet undertaken, and there is an obligation to repay those funds if they are not spent for the approved purpose then such funds are recognised as an "income received in advance" liability until such time as the funded activities are undertaken.

Rental and investment income is recognised when the right to receive payment has been established.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(b) Income Tax

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

(c) 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.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

(e) Investments

Investments are shown at market value at year end. Realised and unrealised gains and losses are calculated in relation to either the market value at the end of the previous Parish financial year, or, if purchase of the investments has been made in the same year as the sale, to cost. Realised and unrealised gains or losses are treated as an increase or decrease of reserves and are not recorded through the current year's Income Statement.

(f) Property, Plant & Equipment

Land and Buildings used by the Parish, under the stewardship of the Churchwardens, is held in the Melbourne Anglican Trust Corporation on behalf of the Anglican Diocese of Melbourne. Accordingly, the Parish does not account for Land and Buildings in its financial statements.

Property improvements are expensed in the Income Statement – Special Funds.

Plant and Equipment purchases of less than $1000 are generally expensed as incurred in the Income Statement – Special Funds. In the 2021/22 financial year the Church Wardens completed a full physical inspection and documentation of all Plant and Equipment.

The valuations were arrived at by the Wardens based on research undertaken into the current market value of similar items in the market place. In accordance with Accounting Standards these assets have been depreciated from the date of such valuation.

During the year there was a major renovation of the toilet area at St John's which was completed in December 2021. As these facilities form part of the Building, the cost has not been added to the Balance Sheet (see ownership particulars above)

The renovations cost $197,809 and were paid from by donations from Parishioners of $61,398. The balance of the cost was funded by a 30-year loan from the Anglican Development Fund (see Note 9). There was also a large amount of pro-bono work done by a number of Parishioners, which was greatly appreciated.

(g) Employee Benefits

Employee Benefits are all accounted for in the year in which the liability arises. (See note 8)

	Notes	2022 $'000	2021 $'000

NOTE 2: SURPLUS / (DEFICIT) FOR THE YEAR

The surplus / (deficit) for the year includes the following selected significant revenues and expenses:

Income	1(a)		
- Offertory		455	461
- Thanksgiving		30	53
- Jobkeeper grants		0	90
- Rental Income		26	8
- Other grants		48	6
- Donations directed to mission organisations		1	1
- Activity income		29	11
Expenses			
- Leadership staffing costs		(237)	(248)
- Youth Ministry staffing costs		(78)	(75)
- Children, & Family staffing costs		(42)	(38)
- Ministry Support staffing costs		(46)	(48)
- Jobkeeper supplementary wages		0	(5)
- Utilities		(11)	(11)
- Insurance		(14)	(14)
- Mission Partners		(73)	(77)
- Diocesan assessment		(70)	(57)
- Activity expenses		(19)	(7)

NOTE 3: CASH AND CASH EQUIVALENTS

St John's:			
CBA Operating Account		0	0
ADF Operating Account		233	95
ADF Education Centre Building Fund		0	2
		233	**97**

NOTE 4: TRADE AND OTHER RECEIVABLES

Other receivables		9	7
		9	**7**

NOTE 5: INVESTMENTS

Parish			
ADF Term Deposit		0	200
St Katherine's:			
Anglican Funds Maintenance Trust Fund	(i)	62	63
		62	**263**

(i) Held in trust "*to be applied to the maintenance of and improvements to the [St Katherine's] church and the maintenance of the church land and the improvements thereon*".

NOTE 6 FIXED ASSETS

Plant & Equipment	262	251
Provision for depreciation	(44)	(25)
Capital Work in Progress	0	1
	218	**227**

	Notes	2022 $'000	2021 $'000
NOTE 7: TRADE AND OTHER PAYABLES			
Unpaid mission payments		1	5
Bond (Persian Resurrection Church)		2	2
Other accrued expenses		4	14
		7	**21**

NOTE 8: STAFF ACCRUALS & PROVISIONS		
Provision for Annual Leave	31	23
Provision for Long Service Leave	7	10
	38	**33**

NOTE 9: LOANS		
St John's toilet area loan payable to the ADF		
Current	9	0
Non-Current	125	0
	134	**0**

The toilet area loan payable to the Anglican Development Fund (ADF) is unsecured with interest and principal monthly in arears and repayable over 30 years commencing 2022. The variable interest at 30 September, 2022 was 4.70%

NOTE 10: ACCUMULATED SURPLUS/ (DEFICIT)		
Opening balance for the Parish	305	302
Surplus / (deficit) for the year	(205)	3
Closing balance	**100**	**305**

NOTE 11: ASSET REVALUATION RESERVE		
Opening balance for the Parish	235	175
Surplus/(deficit) for the year	8	60
Closing balance	**243**	**235**

NOTE 12: CONTINGENCIES

The Parish has no material contingent liabilities requiring disclosure.

NOTE 13: EVENTS OCCURING AFTER REPORTING DATE

There have been no events occurring after reporting date requiring disclosure.

CHURCHWARDENS' DECLARATION

As stated in Note 1 to the financial statements, in our opinion, the Parish is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report.

In our opinion the financial statements of the Parish present fairly, as required by the *Acts of Synod*, the financial position of the Parish as at 30 September 2022 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia to the extent described in Note 1 to the financial statements.

In our opinion, there are reasonable grounds to believe that the Parish will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Churchwardens.

Signature: _____

Name: Anna Greenhalgh

Churchwarden

Signature: _____

Name: Alan Fairweather

Churchwarden

Signature: _____

Name: Michael Fisher

Churchwarden

Dated this 18th day of October 2022

ST JOHN'S ANGLICAN PARISH

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2022, there have been:

i. No contraventions of the Auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Norman Bruce Allen
GNS Group Pty Ltd
Suite 7, 50 Upper Heidelberg Road
IVANHOE VIC 3079

Dated: 7 October 2022

ST JOHN'S ANGLICAN PARISH, DIAMOND CREEK

AUDIT REPORT ON SPECIAL PURPOSE FINANCIAL REPORT FOR YEAR ENDED 30TH SEPTEMBER, 2022

INDEPENDENT AUDIT REPORT

To: The members of St John's Anglican Parish, Diamond Creek

Scope

I have audited the special purpose financial report of St John's Anglican Parish, Diamond Creek for the year ended 30th September, 2022. The Parish Council is responsible for the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Parish, the Parish Governance Act 2013 and The Parish Governance Regulations 2014 and are appropriate to meet the needs of the members. I have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Parishes. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Parish Council and Parish Wardens' reporting requirements. I disclaim any assumption of responsibility for any reliance on these report to any person other than the members and the Anglican Diocese.

The audit has been conducted in accordance with Australian Auditing Standards and section 45 of the Parish Governance Act 2013. My procedures included examination, on a test basis, of evidence supporting the accounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly. (These policies do not require the application of all Accounting Standards and UIG Consensus Views because the Parishes are not a reporting entity and the report is a special purpose report).

This special purpose financial report has been prepared for distribution to the members to fulfil the Parish Council and Parish Wardens financial reporting requirements. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the Parish and are, in the opinion of the Parish Council and Parish Wardens, appropriate to meet the needs of members.

(a) The financial report has been prepared on a modified accrual basis of accounting including the historical cost convention and the going concern assumption.

(b) The audit trail in respect to the receipt of income is not capable of complete verification and my sample checks give me confidence to provide this unqualified audit report.

(c) The Parish Council and Wardens in meeting authorise all payments and withdrawal of funds and sample checks undertaken by me verify this policy.

The audit opinion expressed in this report has been formed on the above basis.

Independence

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

We confirm that the independence declaration required by the Parish Governance Act 2013, provided to the St John's Anglican Parish on 7 October 2022 would be in the same terms if provided as at the date of this auditor's report.

Audit Opinion

In my opinion, the financial report presents fairly the financial position of St John's Anglican Parish, Diamond Creek as at 30th September, 2022 and the results of its operations and its cash flows for the year then ended.

Auditor Norman Bruce Allen FCPA

Address Suite 7, 50 Upper Heidelberg Road
IVANHOE VIC 3079

Signature .....B Allen..... Date: 25 October 2022