

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

ONE COMMUNITY CHURCH INC.
ABN 36 662 538 731

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

| | <u>Note</u> | <u>2019</u> \$ | <u>2018</u> \$ |
|----------------------------------------------------------------------------------|-------------|-------------------|-------------------|
| INCOME | | | |
| Operating Income | | | |
| One Community Care | | 19,622 | 150 |
| Christian Education and Training | | 3,448 | 2,782 |
| Community Outreach | | 3,336 | 4,099 |
| Ministry Activities | | 58,750 | 60,580 |
| Miscellaneous Income | | 3,536 | 8,049 |
| Offering | | 997,980 | 1,037,975 |
| Property Income | | 123,857 | 119,139 |
| Reimbursement of Expenses | | 18,484 | 112,732 |
| Special Events Income | | 6,201 | 8,003 |
| Special Project Income and Donations | | 3,275 | 12,048 |
| Special Purpose Offerings (Missions) | | 76,340 | 76,850 |
| Special Mission Income (Philippines Land) | | 2,203 | 2,397 |
| Passive Income | | | |
| Interest | | 18,461 | 15,964 |
| Total Income | | 1,335,493 | 1,460,768 |
| EXPENDITURE | | | |
| Classification of Expenses by Function | | | |
| Administration Expenses | | 249,759 | 269,940 |
| One Community Care Expenses | | 21,098 | 18,648 |
| Childrens Ministry Expenses | | 131,497 | 128,875 |
| Christian Education and Training | | 5,806 | 4,469 |
| Community Outreach Expenses | | 2,557 | 2,684 |
| Finance Costs | | 42,277 | 82,507 |
| Giving to Others (Missions) | | 112,067 | 129,221 |
| K Team, Intergration and Small Group Ministry Expenses | | 15,143 | 1,918 |
| Ministry Executive Directors | | 267,479 | 358,637 |
| Prayer Ministry Expenses | | 34,682 | 39,004 |
| Property Occupancy, Management and Maintenance Expenses | | 382,160 | 409,811 |
| Seniors and Other Ministries | | 10,659 | 22,804 |
| Special Events | | 13,631 | 12,960 |
| Worship Leading Ministry Expenses | | 107,676 | 82,004 |
| Young Adults Ministry and Multi Media Expenses | | 42,172 | 103,742 |
| Youth Ministry Expenses | | 114,843 | 112,399 |
| Total Expenditure | | 1,553,506 | 1,779,623 |
| OPERATING SURPLUS/ DEFICIENCY (-) | | -218,013 | -318,855 |
| NON-OPERATING INCOME/ EXPENSE | | | |
| Net Profit on Sale/Disposal of assets (-) / Loss on Disposal of Chattels (-) | 6 | 73,741 | -3,847 |
| TOTAL INCOME / DEFICIENCY (-) FOR THE YEAR | 4 | -144,272 | -322,702 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified subsequently to income or expenditure | | | |
| Net gain on revaluation of land and buildings | 3 | 1,348,433 | 0 |
| Other comprehensive income for the year | | 1,348,433 | 0 |
| TOTAL COMPREHENSIVE INCOME / DEFICIENCY (-) FOR THE YEAR | | \$1,204,161 | -\$322,702 |

The accompanying notes form part of this financial report.

ONE COMMUNITY CHURCH INC.
 ABN 36 662 538 731
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2019

| | <u>Note</u> | <u>2019</u> | <u>2018</u> |
|----------------------------------------------------------------------------|-------------|---------------------|---------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents - Bank Accounts | | 44,874 | 44,458 |
| - Deposits with Properties Corp | | 562,576 | 564,576 |
| Other Deposits | | 150 | 680 |
| Trade and Other Receivables | | 7,445 | 33,266 |
| Other Current Assets | | 10,927 | 9,124 |
| Total Current Assets | | 625,972 | 652,104 |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment - Furniture and Equipment, at deemed cost | 2 | 1,124,848 | 1,144,746 |
| Less Accumulated Depreciation | | 844,121 | 815,543 |
| | | <u>280,727</u> | <u>329,203</u> |
| Land and Buildings, at valuation | 2 | 14,320,000 | 14,280,000 |
| Less Accumulated Depreciation | | 0 | 326,822 |
| | | <u>14,320,000</u> | <u>13,953,178</u> |
| Total Non-Current Assets | | 14,600,727 | 14,282,381 |
| TOTAL ASSETS | | 15,226,699 | 14,934,485 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | | 64,286 | 93,498 |
| Deposits and Income Received in Advance | | 10,116 | 2,722 |
| Provision for Employee Benefits | | 111,824 | 59,497 |
| | | <u>186,226</u> | <u>155,717</u> |
| Short Term Financial Liabilities | | | |
| Chattel Mortgage | | 1,530 | 6,122 |
| Less Chattel Mortgage Charges | | 16 | 255 |
| | | <u>1,514</u> | <u>5,867</u> |
| Loan - Properties Corporation | 5 | 34,320 | 31,055 |
| | | <u>35,834</u> | <u>36,922</u> |
| Total Current Liabilities | | 222,060 | 192,639 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Financial Liabilities | | | |
| Chattel Mortgage | | 0 | 1,530 |
| Less Chattel Mortgage Charges | | 0 | 16 |
| | | <u>0</u> | <u>1,514</u> |
| Elsie Freeman Trust | | 500 | 500 |
| Loans - Properties Corporation | 5 | 483,319 | 1,423,173 |
| Loans - Members | | 3,000 | 3,000 |
| Total Non-Current Liabilities | | 486,819 | 1,428,187 |
| TOTAL LIABILITIES | | 708,879 | 1,620,826 |
| NET ASSETS | | \$14,517,820 | \$13,313,659 |
| MEMBER'S FUNDS AND RESERVES | | | |
| Accumulated Funds | | 6,539,272 | 5,869,976 |
| Asset Revaluation Reserve | 3 | 7,978,548 | 7,443,683 |
| TOTAL MEMBER'S FUNDS AND RESERVES | | \$14,517,820 | \$13,313,659 |

The accompanying notes form part of this financial report.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31ST DECEMBER, 2019**

| | <u>Note</u> | <u>2019</u> \$ | <u>2018</u> \$ |
|------------------------------------------------------------------------------|-------------|--------------------|--------------------|
| Accumulated Funds | | | |
| Balance at 1st January, 2019 | | 5,869,976 | 6,192,678 |
| Transfer of the revaluation of the 190 Surrey Road property sold during year | 3 | <u>813,568</u> | <u>0</u> |
| | | 6,683,544 | 6,192,678 |
| Less | | | |
| Net Deficiency for Year | 4 | 144,272 | 322,702 |
| Balance at 31st December, 2019 | | <u>\$6,539,272</u> | <u>\$5,869,976</u> |
| Asset Revaluation Reserve | | | |
| Balance at 1st January, 2019 | | 7,443,683 | 7,443,683 |
| Net Increase in value of Land and Buildings | 3 | 534,865 | 0 |
| Balance at 31st December, 2019 | | <u>\$7,978,548</u> | <u>\$7,443,683</u> |

The accompanying notes form part of this financial report.

ONE COMMUNITY CHURCH INC.
 ABN 36 662 538 731
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

| | <u>Note</u> | <u>2019</u> | <u>2018</u> |
|----------------------------------------------------------------------------|-------------|------------------|------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Total Offerings and Other Giving | | 1,076,363 | 1,117,422 |
| Income from One Community Care | | 24,622 | 150 |
| Income from Community Outreach Programmes | | 3,336 | 4,099 |
| Christian Education and Training | | 3,448 | 2,782 |
| Rental and Donations for use of Property | | 126,965 | 117,150 |
| Receipts from activities conducted by Church groups | | 58,750 | 58,989 |
| Special Project Gifts | | 3,275 | 12,048 |
| Interest Received | | 18,461 | 15,964 |
| Receipts from Special Events | | 10,057 | 5,397 |
| Reimbursement of Expenses and Miscellaneous Income | | 42,137 | 100,664 |
| Payment to employees, suppliers, and other Outreach and Operating Expenses | | -1,174,255 | -1,420,358 |
| Giving to Mission ventures and the relief of suffering | | -134,128 | -105,276 |
| GST Collected | | 17,375 | 18,101 |
| GST Paid | | -35,567 | -50,204 |
| GST Refunded | | 19,154 | 30,924 |
| Net cash provided by operating activities | 4 | <u>59,993</u> | <u>-92,148</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net Deposits and Payments for Others | | -2,490 | 3,572 |
| Capital expenditure - additions to Buildings and Chattels | | -21,404 | -5,241 |
| Net capital receipts - Sale of Freehold Property and Chattels | | 905,028 | 0 |
| GST Collected | | 93,091 | 0 |
| GST Paid | | -4,712 | -524 |
| GST Refunded/-Remitted | | -88,379 | 524 |
| Net cash from invested in activities | | <u>881,134</u> | <u>-1,669</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of Loans | | | |
| Properties Corporation | | -936,589 | -42,890 |
| Chattel Mortgage | | | |
| Chattel Mortgage payments | | -6,122 | -6,122 |
| Net cash used in financing activities | | <u>-942,711</u> | <u>-49,012</u> |
| Net increase/ (- decrease) in cash held | | -1,584 | -142,829 |
| Cash at the beginning of the year | | 609,034 | 751,863 |
| Cash at end of the year | | <u>\$607,450</u> | <u>\$609,034</u> |
| Summary of Cash Holdings - | | | |
| Bank Accounts | | 44,874 | 44,458 |
| Deposit with Properties Corporation | | 562,576 | 564,576 |
| | | <u>\$607,450</u> | <u>\$609,034</u> |

The accompanying notes form part of this financial report.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report that is prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 Victoria, the Australian Charities and Not-for-profit Commission Act 2012 and Australian Charities and Not-for-profit Commission Regulations 2013.

This financial report has been prepared on a standalone basis for One Community Church Inc. This report does not include the income or distributions of One Community Church Tax Deductible Fund.

The Council of Elders has determined that One Community Church Inc. is not a reporting entity.

Basis of Preparation

The Council of Elders has elected to present the Statement of Profit and Loss and Other Comprehensive Income by function rather than by nature, consistent with the previous year. Accordingly the expenses are generally grouped in ministry areas of responsibility. Such groupings include the expenses associated with the ministry area concerned including, where applicable, staff remuneration, superannuation and leave provisions and the direct operating costs of the ministry.

Internal charges to One Community Care (OCC) for use of staff and facilities have been eliminated from the income and expenses shown in the Statement of Profit and Loss and Other Comprehensive Income.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Property, Furniture and Equipment

Property

Freehold land and buildings are carried at fair value less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Profit and Loss and Other Comprehensive Income.

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

Furniture and Equipment

Furniture and equipment are measured at deemed cost less, where applicable, any accumulated depreciation. The carrying amount of furniture and equipment is reviewed annually by the Council to ensure it is not in excess of the recoverable amount from these assets.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, are depreciated on a straight line basis over the useful lives of the assets to the Church commencing from the date of valuation or from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------------|-------------------|
| Buildings | 2.5% |
| Computer and Associated Equipment | 20.0% |
| Furniture and Equipment | 10.0% |

The carrying amount of fixed assets is reviewed annually by the Council to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected cash flows which will be received from the assets' employed and subsequent disposal or the depreciated replacement value.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit and Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(b) Impairment of Assets

At each reporting date, the Church assesses whether there is any indication that assets may have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognized in the Statement of Profit and Loss and Other Comprehensive Income, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

(c) Employee Entitlements

Provision has been made for the Church's liability for employees entitlements arising from services rendered by employees to balance date comprising annual leave and long service leave (when they have legal entitlement for their long service leave).

Contributions are made by the Church to employee superannuation funds and are charged as expenses when incurred.

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

(e) Income Tax

As the Church is a religious non-trading non-profit organization it is not subject to income tax on its income and therefore there are no tax implications relevant to the accounts. It is expected that the Church will continue to meet the definition of a non-profit entity and will therefore be eligible to take advantage of the applicable reporting exemptions.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

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 ATO is included with Trade and Other Receivables or Trade and Other Payables in the Statement of Financial Position.

(g) Revenue

Tithes, offerings and other gifts are recognized as revenue when they are received. Other revenue is recognized when the right to receive the revenue has been established. Revenue from the One Community Tax Deductible Fund is recognized in the general fund when the purposes for which the funds are given have been satisfied.

(h) New accounting standards for application in future periods

The Church does not anticipate any change in accounting policy in the future year that will have any material effect on the Church's financial statements.

| <u>2019</u> | <u>2018</u> |
|-------------|-------------|
| \$ | \$ |

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

| | | |
|------------------------------------------------------------|---------------------|---------------------|
| Freehold Land at 182-188 Surrey Road, Blackburn | | |
| - Independent Valuation at 2019 (previous year at 2016) | 7,840,000 | 6,930,000 |
| Freehold Land at 190 Surrey Road, Blackburn | | |
| - Independent Valuation at 2016 | 0 | 813,568 |
| Buildings at 182-188 Surrey Road, Blackburn | | |
| - Independent Valuation at 2019 (previous year at 2016) | 6,480,000 | 6,520,000 |
| Buildings at 190 Surrey Road, Blackburn at Cost | | |
| - Independent Valuation at 2016 | <u>0</u> | <u>16,432</u> |
| Total Land and Buildings at 31 st December 2019 | <u>\$14,320,000</u> | <u>\$14,280,000</u> |

In accordance with the 3 yearly commitment to revalue Land and Buildings the same professional valuer who prepared the 2016 valuation was engaged, and by applying the same methodology as in the 2016, has effectively updated that valuation to the current time. The 2019 valuation has been adopted in the accounts replacing the previous values. As described in Note 1 to the Accounts the increase in value of the Land and Buildings has been added to the Assets Revaluation Reserve. Refer also to Note 3.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| FURNITURE AND EQUIPMENT | | |
| Asset at deemed cost at 1 st January, 2019 | 1,144,746 | 1,158,448 |
| Additions for Year | <u>12,657</u> | <u>5,241</u> |
| | 1,157,403 | 1,163,689 |
| Less - Value of chattels disposed during the year | <u>32,555</u> | <u>18,943</u> |
| Asset at cost at 31 st December, 2019 | <u>\$1,124,848</u> | <u>\$1,144,746</u> |

The original independent valuation of furniture and equipment was made as at the end of 1999 to establish the current market value of those assets.

NOTE 3: NET INCREASE IN THE ASSET REVALUATION RESERVELand at 182-188 Surrey Road

| | | |
|------------------------------------------------|------------------|---|
| Value at 1 st January, 2019 | 6,930,000 | |
| Revaluation at 31 st December, 2019 | <u>7,840,000</u> | |
| <u>Increase in value</u> | 910,000 | 0 |

Buildings at 182-188 Surrey Road

| | | |
|----------------------------------------------------------------------------------------------------------|------------------|----------|
| Value at 1 st January, 2019 plus additions for year at cost of \$10,633 | 6,530,633 | |
| Accumulated Depreciation to 31 st December, 2019 | <u>489,066</u> | |
| Written Down Value at 31 st December, 2019 (before revaluation) | 6,041,567 | |
| Revaluation at 31 st December, 2019 | <u>6,480,000</u> | |
| <u>Increase in the value</u> | <u>438,433</u> | <u>0</u> |
| | \$1,348,433 | 0 |
| Less Write back to Accumulated Funds of the revaluation of the 190 Surrey Road property sold during year | <u>813,568</u> | <u>0</u> |
| <u>Net increase for year in the Asset Revaluation Reserve</u> | <u>\$534,865</u> | <u>0</u> |

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------------------|-----------------|-------------------|
| | \$ | \$ |
| NOTE 4: CASH FLOW INFORMATION | | |
| Reconciliation of Cash Flow from Operations with Operating Deficiency for Year. | | |
| Operating Surplus (Deficiency) | (144,272) | (322,702) |
| Non-cash flows in operating deficiency – | | |
| Depreciation | 222,091 | 238,444 |
| Net Profit from Sale/Disposal of Freehold Property and Chattels | (73,741) | 3,847 |
| Changes in relevant assets and liabilities – | | |
| Decrease in Creditors and Accruals | (26,785) | 29,190 |
| Increase in Deposits and Income Received in Advance | 7,393 | (2,633) |
| Increase in Provision for Employee Benefits | 52,327 | (11,767) |
| Increase in Prepaid Expenses | (1,803) | (1,190) |
| Decrease in Sundry Debtors | 24,528 | (25,936) |
| Decrease in Chattel Mortgage Charges | <u>255</u> | <u>599</u> |
| Cash Flow from Operations | <u>\$59,993</u> | <u>(\$92,148)</u> |

NOTE 5: LOAN FUNDS

At 31st December the following loans from Properties Corporation of the Churches of Christ were in existence -

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|
| (i) Loan No 55 - to fund building alterations for The Next Step building programme in 2015. Balance at 31 st December - | 298,210 | 1,189,011 |
| (ii) Loan No 09 - to fund the building extensions in 2006/2007 for Building the Vision programme. Balance at 31 st December - | 219,429 | 265,217 |
| Total Borrowings | 517,639 | 1,454,228 |
| These loans are reflected in the Accounts at 31 st December as follows - | | |
| For the principal repayments due in the next 12 months: | | |
| Short Term Financial Liabilities | 34,320 | 31,055 |
| For the principal repayments due after 12 months: | | |
| Long Term Financial Liabilities | 483,319 | 1,423,173 |

The above loans are secured over the property at 182 – 188 Surrey Road, Blackburn.

Due to the lump sum repayment of \$887,000 (refer to Note 6) on the principal of Loan No.55 a submission was made to Properties Corporation in December, 2019 for consolidation of the two loans with repayment of principal and interest (on a monthly basis) ending in June, 2033. Written approval was received on 1st April, 2020 with effect from that date.

The terms of the consolidated loan, taking into consideration the agreed offset interest from the deposit with Properties Corporation, will result in the continuance of a monthly repayment of approximately the same amount as previously (as formally applicable to Loan 09).

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2019**

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------------------------------------------|-----------------|----------------|
| | \$ | \$ |
| NOTE 6: NET PROFIT ON SALE / DISPOSAL OF PROPERTY AND CHATTELS | | |
| Profit on the sale of property - 190 Surrey Road, Blackburn (see below) | 74,941 | 0 |
| Loss on disposal of chattels | <u>-1,200</u> | <u>3,847</u> |
| Net profit on sale / disposal of assets | <u>\$73,741</u> | <u>\$3,847</u> |

It was resolved by the Council of Elders on the 8th October 2018 that the property at 190 Surrey Road, Blackburn be placed on the market and sold, with the proceeds principally to be used to repay debt. A contract of sale was signed on 21st December 2018 for an amount of \$930,000 but was conditional until the 21st January 2019 on finance being obtained. An extension of this date was subsequently granted and the contract became unconditional on the 29th January, 2019 with settlement due on 21st February 2019. An extension of the settlement date was then requested and granted, subject to penalty interest, with the sale finally being settled on 4th March 2019.

With the value of the property in the Accounts being \$829,178 and the net sale proceeds being \$904,119 (after all costs) a profit was achieved of \$74,941. From the proceeds of the sale an amount of \$887,000 was paid off Loan 55 from Properties Corporation (refer to Note 5).

NOTE 7: EVENTS SUBSEQUENT TO BALANCE DATE - 31st DECEMBER, 2019

FINANCIAL MANAGEMENT DURING THE PERIOD OF THE COVID-19 VIRUS

With the onset of the COVID-19 Pandemic and in compliance with Government Directives leading into the consequent suspension of Church Services and other ministry activities as well as closure of the Church office, there has been a depletion in the two major income sources of the Church, namely offerings and property hire. As long as the current social isolating arrangements prevail this situation is likely to continue with increasing pressure on Church funds. The available Government assistance packages applicable to Churches are being pursued. In this regard the Church has registered for the Government sponsored JobKeeper payments plan and as an eligible employer will receive funding which will assist significantly in covering staffing costs to 30th September, 2020.

The financial management of the Church is under constant review, and action is being continually initiated, in order to, as far as possible, alleviate the obvious financial stress and conserve adequate reserves for future short and long term requirements.

There are no adjusting events to the financial statements as at 31st December 2019 however the virus outbreak has the potential to adversely impact on the future financial performance.

In summary given the nature of the entity, the present action being taken by management and the current level of cash reserves, the Council of Elders remains satisfied that the Church will continue to operate as a going concern.

ONE COMMUNITY CHURCH INC.

ABN 36 662 538 731

RESPONSIBLE ENTITIES' DECLARATION

The Council of Elders have determined that the Church is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Council of Elders "the Council" of the Church declare that:

1. The financial report and notes as set out on the preceding pages relevant to the year ending 31st December, 2019, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012; and
2. As the date of this statement, there are reasonable grounds to believe that the One Community Church Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:



Greg Warmbrunn
Chairman of Elders



Roger Bentley
Administrator

Date: 11 May 2020

ONE COMMUNITY CHURCH INC.
ABN 36 662 538 731

TRUE AND FAIR CERTIFICATION


The Council of Elders “the Council” of the Church declare that:

The financial statements and notes, as set out on the preceding pages, give a true and fair view of the financial position of One Community Church Inc as at 31 December 2019 and its performance for the year ended on that date.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:



Greg Warmbrunn
Chairman of Elders



Roger Bentley
Administrator

Date: 11 May 2020

ONE COMMUNITY CHURCH INC.
ABN 36 662 538 731

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60.40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE
COUNCILLORS OF ONE COMMUNITY CHURCH**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

- (i) no contravention of the auditor's independence requirements as set out in Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Saward Dawson



Peter Shields
Partner

Blackburn, VIC

Dated: 11 May 2020

ONE COMMUNITY CHURCH INC.
ABN 36 662 538 731

INDEPENDENT AUDIT REPORT

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of One Community Church Inc, which comprises the statement of financial position as at 31 December 2019, the statement of profit and 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 responsible entities' declaration.

In our opinion, the accompanying financial report of One Community Church Inc is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC), including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements 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.

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the council of Elders' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

ONE COMMUNITY CHURCH INC.
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Council of Elders' responsibility for the Financial Report

The council of Elders of One Community Church Inc are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC) and is appropriate to meet the needs of the council. The council of Elders' responsibility also includes such internal control as the council determines necessary to enable the preparation of a 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 council of Elders are responsible for assessing the entity'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 council either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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 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 entity's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saward Dawson

Saward Dawson

Peter Shields

Peter Shields
Partner

Blackburn, VIC

Dated: 11 May 2020