



**FINANCIAL STATEMENTS**  
(AUDITED)

**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**Income and Expenditure Statement  
for the period  
1 January 2022 to 31 December 2022**



	Notes	2022	2021
<b>Income</b>			
Revenue from General Offerings	2	1,328,143	1,198,046
Revenue from Government Stimulus		-	8,048
Revenue from Fabinrose	1	13,000	70,000
Revenue for Carina Upgrade		-	1,085
Interest Income		(16,263)	18,742
Other income		45,882	37,453
<b>Total Income</b>		<b>1,370,762</b>	<b>1,333,374</b>
<b>Expenses</b>			
PCQ Expenses		76,752	80,446
Impairment & Loss on Sale of Fixed Asset		-	465
Depreciation		57,891	50,814
Salaries & Wages		636,560	564,022
Other Operating Expenses		151,919	123,857
Non-Operating Expenses		-	-
Gifts		133	37,583
Partner Support		112,359	110,872
<b>Total Expenses</b>		<b>1,035,615</b>	<b>968,059</b>
<b>Surplus/(deficit) for the year</b>		<b>335,147</b>	<b>365,315</b>
Opening accumulated surplus		4,572,380	4,204,530
Outstanding Partnership Contributions			2,535
<b>Closing accumulated surplus</b>		<b>4,907,527</b>	<b>4,572,380</b>

**Balance Sheet**  
**as at**  
**31 December 2022**



	Notes	2022	2021
Current Assets			
Cash at Bank	3	1,760,082	1,433,550
Trade Receivables		-	5,500
Sundry Debtors		8,133	2,962
<b>Total Current Assets</b>		<b>1,768,215</b>	<b>1,442,012</b>
Non-Current Assets	4	3,164,634	3,148,080
<b>TOTAL ASSETS</b>		<b>4,932,849</b>	<b>4,590,092</b>
Current Liabilities			
Trade Creditors		6,199	-
Sundry Creditors		2,718	2,894
Provision for Annual Leave		16,405	14,818
<b>Total Current Liabilities</b>		<b>25,322</b>	<b>17,712</b>
Non-Current Liabilities		-	-
<b>TOTAL LIABILITIES</b>		<b>25,322</b>	<b>17,712</b>
<b>NET ASSETS</b>		<b>4,907,527</b>	<b>4,572,380</b>
Equity			
Current Year Surplus/(Deficit)		335,147	365,315
Accumulated Surplus		4,572,380	4,207,065
<b>TOTAL EQUITY</b>		<b>4,907,527</b>	<b>4,572,380</b>

## **Notes to the Financial Statements for the period ended 31 December 2022**

### **Note 1**

These financial statements are special purpose financial reports that have been prepared in order to satisfy the reporting requirements of the Living Church as required by the Standing Orders and Rules of Procedures – Queensland of the Presbyterian Church of Australia.

The Committee of Management of the Living Church has determined that the Church is not a reporting entity as defined in the Statement of Accounting Concepts 1: "Definition of the Reporting Entity" and therefore, there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements in the preparation and presentation of these financial statements unless it chooses so to do.

The financial statements have been prepared in accordance with the requirements of the Living Church.

Non-current assets are depreciated in accordance with the Church's policy.

The financial statements are prepared on an accrual basis.

The statements are based on historic costs and so do not take into account changing money values. The accounting policies are consistent with the previous period, unless otherwise stated.

### **Income Tax**

The Church is not subject to income tax on its funds however it is subject to the Goods and Services Tax laws.

### **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

### **Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

### **Revenue**

Revenue from general offering is recognised upon receipt of funds. A limitation exists in relation to the recording of cash receipts from general offerings. Revenue from all their sources is recognised on an accrual basis in the financial year in which the revenue was earned. All revenue is stated net of the amount of goods and services tax (GST).

### **Fabinrose Distribution**

Fabinrose is a trust that operates a gym at Alger. Living Church is one of three churches who are beneficiaries of the trust.

### **Property Plant & Equipment**

All capital costs relative to the land, building and its fixtures and fittings situated at 1541 Creek Road, Carina have been included in their respective values at 31 December 2022 and 2021.

The former Norman Park Presbyterian Church Properties have been valued in these accounts according to Committee of Management estimates. On 20 March, 2017, the Committee of Management has approved the sale of the church's Norman Park property and has engaged the services of a real estate agent to promote the property and negotiate acceptable terms for the church. Settlement date was 12 February 2018.

All non-current depreciable fixed assets are depreciated.

### **Employee Benefits**

Benefits such as Sick and Annual Leave are paid as incurred. Employer Superannuation contributions are made monthly in respect of our staff members. Provision for Long Service Leave for our ministers is made by a monthly payment to the Presbyterian Church of Queensland (PCQ). No Long Service Leave provision has been made for staff who are not ordained ministers.

**Note 2 Revenue from Ordinary Activities**

	2022	2021
	\$	\$
General Offerings	1,328,143	1,198,046
<b>TOTAL GENERAL OFFERINGS</b>	<b>1,328,143</b>	<b>1,198,046</b>

**Note 3 Cash at Bank and on Hand**

	2022	2021
	\$	\$
Commonwealth Bank of Australia – Creek Road A/c	287,455	187,083
Commonwealth Bank of Australia - Online Saver A/c	625,464	392,591
Commonwealth Bank of Australia - Project	199,253	186,333
Commonwealth Bank of Australia – Springfield A/c	40	20,631
Commonwealth Bank of Australia - Support A/c	6,637	3,705
Commonwealth Bank of Australia - Cross Cultural Connect	52,344	35,098
Commonwealth Bank of Australia - Charge Card Facility	(42)	(23)
PayPal	2,941	3,738
PCQ Capital Fund Investments at call -		
Capital	487,717	503,467
OPEX	98,275	100,926
<b>TOTAL CASH AT BANK AND ON HAND</b>	<b>1,760,082</b>	<b>1,433,550</b>

<b>Note 4 Asset Movements</b>					
<b>2021</b>					
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Closing Balance</b>
Land and Buildings	3,113,545	4,783	-	35,165	3,083,163
Audio Visual Equipment	23,597	4,263	-	6,752	21,108
Other Plant and Equipment	43,647	9,525	465	8,898	43,809
	3,180,788	18,571	465	50,814	3,148,080
<b>2022</b>					
Land and Buildings	3,083,163	-	-	35,164	3,048,000
Audio Visual Equipment	21,108	8,050	-	6,432	22,726
Other Plant and Equipment	43,809	66,395	-	16,295	93,909
	3,148,080	74,445	-	57,891	3,164,634

In May 2022, the receivers to the Presbyterian Church of Queensland submitted a report to the Supreme Court of Queensland of the findings from their investigation. In that report, the receivers concluded that PCQ has a right of indemnity by way of exoneration against the assets comprising, and derived from, the Capital Fund to pay expenses properly incurred in connection with the performance of the Church's General Charitable Trust. Living Church, as an investor in the Capital Fund, would be considered an ordinary unsecured creditor of PCQ in respect of the General Charitable Trust. The receivers further concluded there exists a net shortfall on a stand-alone basis of the capital fund to meet claims. Should the court accept the submission, Living Church funds invested in the capital fund (\$585,982) are at risk of being required to support the General Charitable Trust.

**Statement of the Living Church Committee of Management**

In the opinion of the Living Church Committee of Management, the special purpose financial statements and notes are drawn up so as to show a true and fair view of the surplus for the financial year ended 31 December 2022 and the state of affairs of the Committee of Management of the Living Church as at 31 December 2022.



J Wallace  
Secretary



J Sutton  
Finance Manager

Dated: 19/05/2023



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## **Independent Auditor's Report to the Council of the Living Church Creek Road**

### **Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of the Living Church Creek Road which comprises the Balance sheet as at 31 December 2022, Income & expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the management assertion statement.

In our opinion the financial report presents fairly, in all material respects, the financial position of the Living Church Creek Road as at 31 December 2022 and of its financial performance for the year then ended on that date.

### **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. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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.

### **Emphasis of Matter - 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 to assist the Living Church Creek Road to meet the requirements of the members of the congregation. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter – cash donation**

Except for the amounts deposited in the bank we have not confirmed the accuracy of any cash donation.

### **Responsibilities of Management and the Church Council for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Church Council is responsible for overseeing the Entity's financial reporting process.

## **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 the 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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.

Yours faithfully,

**Arabon Audit & Assurance**



**Shankar Gokul, CPA FIPA**  
**Director**  
**19 May 2023**