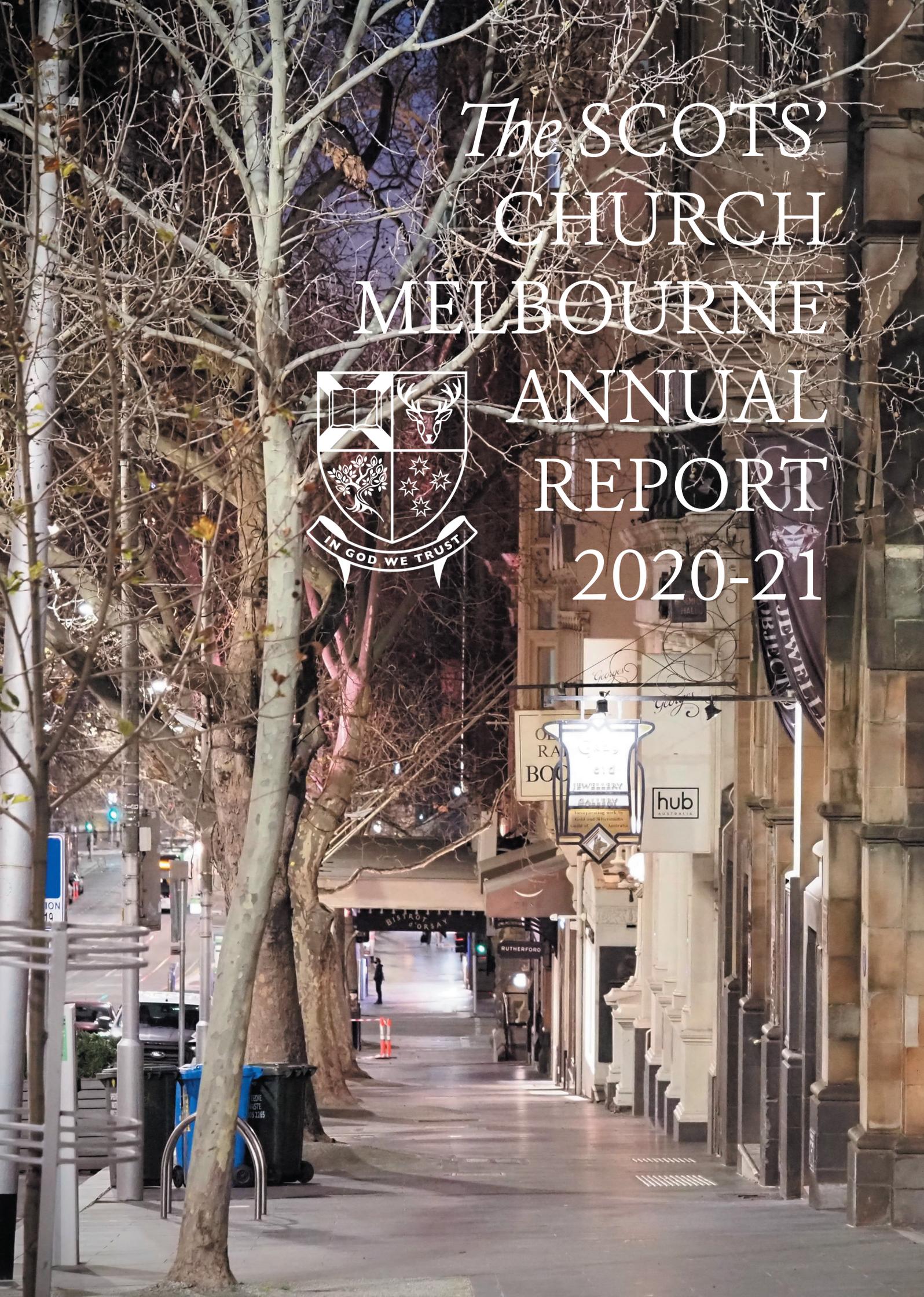


The SCOTS'
CHURCH
MELBOURNE
ANNUAL
REPORT
2020-21



Foreword

WELCOME TO OUR ANNUAL REPORT for the difficult years of 2020-21, as the world has struggled to come to terms with the challenge of the COVID 19 pandemic. Like every organisation, Scots' has endured lockdowns, which in our case has meant the cessation of regular services, attendances limited by density requirements, check-ins, extra cleaning and a host of other challenges, all well managed by our own hard working Covid Commission. On a financial level too, there have been consequences. With around 25% of CBD retail space and offices now vacant, we are likely to face a significant downgrade in our income expectations from Collins Street property assets, and with limited attendance our congregational giving has been down. Prudent financial management means that Scots' is still afloat, but future ministry initiatives may well call on us all to re-think our individual giving as we are able. Scots' remains a dynamic city church - a living community that delights to gather and hear God's word proclaimed and respond in beautiful song. God-willing, as life one day returns to normal, we are well positioned to play a key role in "loving the city to life" as we both model and speak the love of the Lord Jesus. I commend these reports to you, and invite you to enthusiastically commit to the exciting future of Scots' Church Melbourne.

Phil Campbell, SENIOR MINISTER, 2021





The SCOTS' CHURCH
MELBOURNE

183rd ANNUAL REPORT (2020 - 2021)

FOREWORD

REV PHIL CAMPBELL, SENIOR MINISTER

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THE SCOTS' CHURCH
ADMINISTRATIVE DETAILS

CONTACT INFORMATION

The Scots' Church, Melbourne,

1/156 Collins Street, Melbourne 3000.

Telephone: (03) 9650 9903 or (03) 9650 9904

Email: admin@scotschurch.com Website: www.scotschurch.com

MINISTERS

Senior Minister

Rev Phil Campbell

Pastoral Care Minister, Scots' Church

Rev Litha Heshusius

Minister, Indonesian Christian Church

Rev Christian Tirtha

Minister, St Stephen's Flemington

Rev Andrew Wong.

KIRK SESSION

Elders on 30 June 2021

Miss Rae Anstee AM DSJ

Dr Andrew McDonald

Dr Charles Castle

Mr Craig McIntosh

Mr Dennis Conradi

Mr Graham Nixon

Mr Bruce Evans

Mr James Nuske

Mr David Gibb

Prof Sen Sendjaya

Mr Graeme Harris

Dr Solomon Sahhar

Mrs Helen Holman

Dr Douglas Sherman

Mr Paul Kerss

Mr Gordon Taylor

Mr Barry Kilmartin

Mrs Lois Taylor

Mr Robert Lowe

Mr Wayne Truong.

Assessor: 1 May 2021 to 1 May 2022: Rev Philip Court.

Elder emeritus: Mr Stewart Banks.

Officers of Session:

Session Clerk: Miss Rosalie Strother Deputy Session Clerk: Dr Rosemary Fethers.

BOARD OF MANAGEMENT

Secretary: Dr Douglas Sherman

Treasurer: Mr Sebert Ruddock.

List of Managers on 30 June 2021:

Name	Term expires at end of:
Dr Caroline Allinson	2021
Mrs Margaret Conradi	2022
Dr Rosemary Fethers	2022
Mr Nader Hanna	2021
Mr Sonal Herlekar	2021
Mrs Sirisha Joel	2022
Mrs Judith Kilmartin	2021
Dr Elizabeth Lewis AM	2021
Mrs Margaret McKenzie Lowe	2021
Miss Lauris Murnane	2021
Mrs Jennifer Pilgrim	2022
Mr Stallone <u>Joel</u> Purushottam	2022
Mr Sebert Ruddock	2021
Mrs Danise Sherman	2021
Miss Rosalie Strother	2022
Mrs Jodi Tregale	2022

All Elders are ex officio members of the Board of Management.

THE SCOTS' CHURCH PROPERTIES TRUST

Trustees on 30 June 2021:

Mr Paul Kerss (Chairman)

Mr Bruce Evans

Mrs Helen Holman

Mr James Nuske.

SCOTS' CHURCH BOARD OF MANAGEMENT LTD

Directors on 30 June 2021:

Mr Craig McIntosh (Chairman)

Mr Graham Nixon

Dr Solomon Sahhar.

MUSIC MINISTRY

Director of Music	Mr Douglas Lawrence AM
Assistant Organist	Ms Ria A. Polo
Organist Emeritus	Dr Robin Batterham AO

CHURCH ADMINISTRATION

Administrator – Operations	Mr Jonathan North
Administrative Assistant	Mr Monty Chandra
Finance Manager	Mr Murray Hirst
Administration Secretary	Mrs Wendy Gregory
Church Custodian	Mr Ricky Holt
Welcome Desk Attendant	Mr Ken Bowden.

PRESBYTERIAN AND SCOTS' CHURCH JOINT MISSION

Missioner	Rev Andrew Wong
Secretary	Dr Rosemary Fethers
Treasurer	Mrs Glenys Wright.

Administration Report

I'M WRITING THIS REPORT from home as we are now in our sixth lockdown and unable to go into the office. As we endure multiple lockdowns, the CBD becomes increasingly less populated.

Like most organisations Scots' Church continues to adapt to the changing environment. Eventually, the CBD will recover. It will be exciting to see how the Church helps shape the recovery.

Staff

In the last 18 months the Church has seen changes in many of key leadership positions. The staff have particularly enjoyed the appointment of Rev. Phil Campbell and the enthusiasm, excitement and changes he has begun implementing.

There have been significant changes in the administration staff. At the end of 2020, Sebert Rudock resigned after five years as the Church Administrator. Murray Hirst took on the role of Financial Manager and I, the role of Administrator – Operations. Between Murray and me we have been able to take on the bulk of the work Sebert oversaw. We are grateful for Sebert's years of service and his ongoing advice and input.

Wendy continues in her role as Administration Secretary. From January Wendy's workload increased considerably as she capably took on many more administration responsibilities. In November we welcomed Monty Chandra as a permanent staff member. Monty has taken on many tasks, including venue bookings and the daily task of managing all our electronic media. Monty has been of great assistance in researching and implementing live streaming of our Church services.

Rick Holt's primary role is to take care of the Church, and with the remainder of his time he assists with the cleaning of the Assembly Hall building and setting up of venues for meetings. Ken continues his role as Welcome Desk Attendant

We have a team of six casual staff who assist us and bring a variety of skills that support the permanent staff and give us more flexibility in our operations.

We are privileged to have a staff team dedicated to helping Scots' be a successful church.

Venue Bookings

In 2019 our venues were fully utilized. Some days saw the Church, the function room and all the meeting areas in the Assembly Hall building used with multiple meetings, enabling us to be a blessing to the wider church, connect with local community and businesses, and generate income.

The use of our venues this year has been minimal, reflecting the current city population and ongoing restrictions.

On a more encouraging note, we have seen an increase in the number of schools hiring our venues. In addition, many of the groups who have had to cancel their bookings are long term customers and have indicated they will return at some point.

Electronic Media

Last year I reported that our website traffic had increased from about 550 visitors per week to around 800. Monty informs us this year we have seen a further increase to over 1,000 page visits per week. Last week (the second last week in July) we had 200 new users engage with our website.

In addition, Rev Phil Campbell and Monty have been instrumental in initiating live streaming of the 11am service through Facebook and/or Zoom. In July 2021 we have had a weekly average of 150 Facebook and YouTube views for the 11am service.

Jonathan North

Administrator Operations



Kirk Session Review

Many challenges were faced by the Kirk Session over the 2020/2021 financial year. These included the search for a Senior Minister, and the COVID-19 pandemic with its major impact on every sphere of life. The serious injury sustained by the Session Clerk, **Mr Peter Armstrong**, in a traffic accident and his subsequent ill-health necessitating his resignation in February 2021, and the ongoing illness of **Rev Richard O'Brien** leading to his retirement at the end of 2020, also contributed to a complex year. **Rev Philip Court** continued to act as Interim Moderator, providing strong and stable leadership until March 2021, with the selection and appointment of **Rev Phil Campbell** as the Senior Minister of Scots' Church at the induction service on 19 March. Phil and Louise have settled in to their new role remarkably quickly and have already begun to bring about changes that enhance the life and ministry of Scots' Church.

Due to restrictions imposed through the pandemic, worship services were accessed online for much of the year. Zoom technology proved a wonderful resource for meetings of committees and as a means to allow informal gathering on Sunday mornings. Services resumed with some limitations in late 2020 and have continued, with some interruptions along the way. The Sunday School continued to gather when possible. Services of Holy Communion were held on 7 March and 4 April; the June service was cancelled due to a 'lockdown' in place at the time. The congregations have been appreciative of being able to gather in person and to enjoy worship together, including the beautiful music of choir and organ. More recently Zoom, YouTube and Facebook have brought worship services into our homes during periods of lockdown.

Over the year we welcomed ten communicant members and two adherents to Scots' by transfer, and one member through baptism. There were two infant baptisms during the year, and 13 children on the cradle roll at 30 June 2021. Five members transferred to other churches during this time. Sadly two members passed away: **Mrs Jean Lewis** on 12 March, just five

days before her 100th birthday; and **Mr Brian Bayston**, who served the Presbyterian Church of Victoria in many capacities and as an elder for over 52 years, passed away on 7 May.

The standing committees of the Session: the Pastoral Care and Staffing Committees, continued to meet via Zoom. The Pastoral Care Committee was ably supported by **Rev. Litha Heshusius**, who continued in her role Pastoral Care Minister. The Outreach Committee, which had not met, sought a discharge from its duties, this being approved by the Session in June 2021. The COVID-19 Commission of the Kirk Session met as required through the year, providing sound advice. Our thanks to **Dr Rosemary Fethers**, Deputy Session Clerk, who has led this so ably. The outstanding work of the Selection Committee through 2020 in difficult circumstances is also acknowledged. We give thanks to Almighty God for his care and blessing through a year of challenges and difficulties, as we look forward with anticipation to the future ministry and outreach of Scots' Church.

'In God We Trust' as we continue to look for effective ways to proclaim the gospel of his Son, **our Lord Jesus Christ.**

Rosalie Strother
Session Clerk



Indonesian Christian Church

“With all boldness and without hindrance!”

It goes without saying that the COVID-19 pandemic has had a significant impact on our church life over the past year. Along with millions of Christians around the world, we had to familiarize ourselves with the setup and delivery of livestreamed services across all our ministry fronts while at the same time adhering to ever-evolving safety and health protocols.

As the minister of the Indonesian congregation at Scots’ Church, I am grateful for the gospel-mindedness of our Core Committee, consisting of **Prof Sen Sendjaya, Elie Cung, Benidictus Jobeanto, Andy Sentosa, Paulina Tan, and Kezia Wijaya**. God has used their generosity, empathy, prayerful support, constructive feedback, and witty sense of humour to serve our congregation during these uncertain times. Our thanks go to **Rhesa Liong** who stepped down from the Committee in April this year following two periods of service, and continues to contribute at ICC. Serving alongside us are wonderful individuals who in their various capacities enrich the church life above and beyond what we could ever expect. They make up approximately 80% of our communicant members.

We continue to be encouraged to see the attendance and engagement in our onsite and online services. Since the beginning of the pandemic in March 2020, we have run “*Gospel Talk*”, a Q&A session immediately after the service where the audience can interact with Sen or me directly and discuss questions around the sermon. Apart from that we have also had various online training, webinar, games, prayer and worship nights. Many meetings and counselling sessions have gone through Zoom, which admittedly are logistically convenient. After a full year hiatus in 2020, we have only managed to commence our catechism/membership class in June this year. There are currently 12 people regularly attending online; about half are quite new to the Christian faith and from non-Christian backgrounds and seek baptisms later in the year.

Unfortunately, in 2020 we also saw a good number of our students returning to Indonesia. This was mainly during the strict lockdown at the height of COVID-19 cases during that period. Various reasons were cited including financial difficulties, loneliness, and a preference to be closer to family. As with most churches comprising a large number of international students, the current travel restrictions mean that our new students’ intake will be relatively low for the foreseeable future.

During the writing of this review, the COVID-19 situation in Indonesia is still quite alarming. Presently, it has reported more than 420,000 active cases and over 110,000 deaths. Hospitals and health care workers are overwhelmed beyond capacity. At this point, most of our congregation personally know of family members or loved ones who are either infected or passed away due to COVID-19, or the lack of available medical care. Naturally this has added a layer of anxiety and uncertainty among our congregation, many of whom have vulnerable family members back home.

Against that stark reality, we recall the closing words in the book of Acts which encourage us to keep, “*proclaiming the kingdom of God and teaching about the Lord Jesus Christ with all boldness and without hindrance*” (Acts 28:31). We often remind each other what a privilege it is to trust, deepen our understanding of, and share the Gospel of Jesus Christ in such a time when it is most needed both by the church and the world around us. Our solid ground of hope is in the blessed Triune God – Father, Son, and Holy Spirit – who has given us His word and His Spirit to continue the work of His kingdom.

Rev Christian Tirtha

Minister to the Indonesian Congregation / Indonesian Christian Church



St Stephen's Flemington

Ordination of Rev. Andrew Wong

On Friday the 5 March 2021, I was ordained to the Ministry of the Word and Sacraments at The Scots' Church Melbourne with the Rev. Alan Every preaching God's word. This has meant that St. Stephen's has been able to have the Lord's Supper without asking a guest ordained minister to come and distribute the sacraments. My employment is shared with the Presbyterian and Scot's Joint Mission on a 60/40 agreement.

Governance, discipline and oversight

Since October 2013, the government, discipline, and oversight of the congregation of St Stephen's Flemington has been vested in a Commission of the Scots' Church Kirk Session. It was established "for the purpose of exercising all the powers and discharging all the duties of the Session in relation to St Stephen's Flemington."

The Commission consists of the Andrew Wong as Moderator, and Elders of St Stephen's: Mr. Harold Burge, Dr. Robert Farquharson (Commission Clerk) and Mr. Jack Laisanna. The Moderator is responsible for reporting on its proceedings to the Scots' Kirk Session. In the beginning of 2021, Mr. Ronnie Adahali, resigned as an elder in accordance with Rule 3.6.2 of the PCV Codebook. This was of his own volition, and we are thankful to God for all that he has done in serving God's people. The congregation also has One Elder Emeritus; Mrs. Shirley Kelham.

The congregation is represented in the Presbytery of Melbourne West and the General Assembly of Victoria by Dr. Bob Farquharson who has been appointed by Presbytery as a Parity Elder.

Board of Management

A Board of Management is responsible for the temporal affairs of the congregation. It meets bi-monthly. It consists of 2 elected Managers plus the three active Elders and the Minister. Current membership of the Board of Management is as follows:

Delegated Chairman:

Rev. Andrew Wong

Secretary:

Dr. Bob Farquharson

Treasurer:

Dr. Bob Farquharson

Property Manager:

Mr. Harold Burge

Managers:

Mr. Jack Laisanna

Mr. Peter Saxon

Mrs. Nurma Tjoeka.



Congregation

The most recent Statistical Return (for the 2020 calendar year) reported the congregation to be 43 communicants and 4 adherents. At the end of 2020, in preparation for voting for the call of the Rev Phil Campbell, we thoroughly updated the membership roll in accordance with the rules in the PCV Codebook.

Annual Congregational Meeting

The most recent Annual Congregational Meeting was held on Sunday 18 October 2020 over Zoom, with 22 people attending. Amongst other things:

- Dennis K Wright and Associates was appointed as auditor for 2020/2021;
- The Annual Report of the Board of Management was received and approved;
- The Annual Charge Report was received and approved; and
- The audited financial statements were received and adopted.
- The number of Board of Management positions was decided and approved.
- The Commission Report, the Minister's Report, the Safe Church Report, and the Kid's Church Report were received and noted.

Congregational life

The pandemic continues to affect the 'normal' life of the church with its many interruptions, but we are thankful to God for the technology that enables us to continue to worship

and hear his word preached. In the past year, I have preached on the book of Mark, sermons on depression and anxiety, 10-week sermon series leading up to Christmas on God's redemptive plan from Genesis, a series on the book of Ruth, 7-week series on the 7 letters to the churches in the book of Revelation, a series on the book of Titus and various once-off sermons. These sermons continue to be uploaded to our YouTube channel where many from outside church tune in. YouTube has enabled many who are unable to join us on Sunday to keep up to date on our sermon series and grow in God's word. We are currently going through a series on Prayer looking specifically at the Lord's Prayer and Paul's prayers in the book of Ephesians.

We have recently launched two growth groups as part of the life of church: one for the young adults and one for everyone else. With every program, comes new challenges but it has been great to see God's people gather over God's word to grow in their understanding of God.

Reflections

Reading what I wrote last year for the annual report, I noted that it had been a rollercoaster of a year, and this year is no different. Who would have thought that the Covid-19 pandemic would continue to make a huge impact in the life and ministry of the church? It has been extra difficult in Victoria with the strict restrictions and numerous lockdowns. I want to reiterate what I said last year in my reflections. There is a lot of uncertainty for the future, but God is faithful, and he provides in the right time. I continue to pray the same prayer as Paul for the church of Ephesus for St Stephen's as well as the wider congregation of Scot's church.

"14 For this reason I bow my knees before the Father, 15 from whom every family in heaven and on earth is named, 16 that according to the riches of his glory he may grant you to be strengthened with power through his Spirit in your inner being, 17 so that Christ may dwell in your hearts through faith—that you, being rooted and grounded in love, 18 may have strength to comprehend with all the saints what is the breadth and length and height and depth, 19 and to

know the love of Christ that surpasses knowledge, that you may be filled with all the fullness of God.

20 Now to him who is able to do far more abundantly than all that we ask or think, according to the power at work within us, 21 to him be glory in the church and in Christ Jesus throughout all generations, forever and ever. Amen. (Ephesians 2:14-21)

To God be the glory!

Rev. Andrew Wong
Minister for St Stephen's

Flemington Mission

Office Bearers

Chairman: Rev Phil Campbell,

Scots' Church Senior Minister

Vice Chairman: Mrs Margaret Conradi,

Appointee of PWMU (Vic.)

Secretary: Dr Rosemary Fethers,

Appointee of Kirk Session

Treasurer: Mrs Glenys Wright,

Appointee of Presbytery of the Bounds

Assistant Treasurer: Mrs Yvonne Farquharson,

Appointee of Presbytery of the Bounds

Committee

Mr Harold Burge

Appointee of Kirk Session (resigned April 2021)

Mrs Nurma Tjoeka

Appointee of Kirk Session

Rev Litha Heshusius

Committee Appointee (appointed June 2021)

Missioner

Rev Andrew Wong

Vacancies

3 Kirk Session Appointments.

THE DISRUPTIONS and changes brought about by Covid over the past year have provided opportunities for reassessment, refurbishment and expansion of services.

The Mission continues to **open every Tuesday** at St Stephen's Flemington regardless of lockdowns, and provides a very generous amount of groceries to 70-80 people each week. **Food parcels** are tailored to individual needs; for example, families, baby requirements, food intolerances, cultural preference, availability of cooking facilities etc. The amount of food distributed has grown considerably as have the numbers of attendees. Groceries have been distributed weekly rather than fortnightly since the beginning of the pandemic. The Mission also provides hot meals, cooked by the volunteers, tea and coffee and a friendly environment for socialising. Most services have been provided outdoors during this year. **Church services** at the Mission have been held when permitted by State regulation.

Pharmaceutical scripts and some school expenses continue to be subsidised.

In July 2020, substantial **structural work** was required in the Mission Hall kitchen because of termite damage to the floor, rendering it dangerous and open to rodent infestation. **Renovation of the floor, cupboards and sink area** was coordinated by Andrew and Dennis Conradi who spent many hours on site, resulting in a clean, safe kitchen. This was funded from Mission money specifically for building improvements.

The importance of **cleanliness and hygiene** has been highlighted during the pandemic and the hall, also, has been refurbished with this in mind. All old, hard to clean furniture was removed and replaced with tables and chairs that are easy to clean, easy to move outside and look fresh and tidy. Food supplies are now distributed in plastic tubs that are cleaned, reused and stackable.

Partnership with **Foodbank Victoria** has provided access to large amounts of healthy food, fresh, frozen and non-perishable as well as some toiletries at a very low cost. Each week, on Monday, volunteers collect about 750kg of preordered supplies and prepare for Tuesday distribution. Fresh and frozen food can now be stored in a new commercial size refrigerator and an even bigger freezer. A new stove and microwave are being used to prepare meals. Meals are currently being served using disposable utensils. The funding for new equipment has been provided by **grants from Melbourne City Council and Vic Health**. The aim of these grants is to foster community health, well-being and connection.

The Victorian **Dept of Cultural Affairs** also provided funding for a project to provide culturally appropriate food for the diverse community that visit the Mission for 12 weeks. This project was appreciated by all and also promoted greater cultural awareness.

The **Christmas church service and barbecue** was able to go ahead and provided a welcome opportunity for everyone to get together after



Flemington Mission (continued)

many months of isolation.

We now have **new business cards** for eye-catching and clear communication of activities and location. (See the picture below.) We hand these out to clients and have circulated them widely.

There remain some ongoing repairs to the Mission Hall. The **electrical supply** will be upgraded to cope with the new refrigeration equipment. Part of the floor in the hall will be replaced where there is further instability due to termite damage. The termites have been treated.

The Flemington Mission thanks all the generous and loyal donors of 2020-2021, especially those who made a special effort during the long periods of lockdown. **Andrew Wong** continues his enthusiastic commitment as Missioner, and he was a constant support for our vulnerable people through the difficult times of the pandemic. Andrew and Garum's second son, Micah was born on 15 June 2021. The Mission welcomes Phil Campbell as Committee Chairman and Louise Campbell as a regular volunteer. The Mission thanks Harold Burge for his many years of faithful service on the Committee and welcomes Litha Heshusius to the Committee. Glenys Wright continues to be greatly appreciated in her role as treasurer. Great appreciation goes to all the volunteers for their hard work and dedication in making the Mission a happy, productive and inspiring place.

Dr Rosemary Fethers

Secretary

Presbyterian & Scots' Church Joint Mission



Board of Management

The Board of Management looks after the business and property matters of the church. It is comprised of the elders, the trustees, and several elected “managers” who are elected for two years but can stand for re-election at the end of that time.

The church and its commercial properties (the **Georges building**, and the land occupied by the **Westpac building**) are held in trust for the congregation by the Trustees under the conditions of **The Scots’ Church Properties Trust Deed** (SCPTD) (1891) as amended by the Scots’ Church Properties (Amendment) Act 2003. The **Assembly Hall** is jointly owned by the Board of Management (63%) and the PCV (37%). The Board’s share is held in trust for the congregation by **The Scots’ Church Board of Management Limited**, a company limited by guarantee and acting as a corporate trustee, under conditions derived from the SCPTD.

Several sub-committees which contribute to the work of the Board and the Church. Reports of the Finance committee and the Property committee follow this report.

COVID-19: This year all meetings have been conducted using Zoom, which has impacted interactions between Board members, and made it difficult for new members to get to know other Board members. (In comparison, most members of the Session have worked with each other for a long time before meetings became remote.) Lockdowns have slowed or prevented some maintenance work on the church. These slowdowns will continue in the next year or two, as tradesmen will have to make up for backlogs in many buildings. This has delayed some expenditure, but the lockdowns have also had serious effects on our income as many tenants of our commercial properties have needed rent relief.

Staff Change: At the beginning of this financial year, our administrator was Sebert Rudock, who had skills in both accounting and general administration. He has now resigned but has become an adherent, a member of the Board of management and our Treasurer. To replace him has required two people: Jonathan North has been promoted to Admin-

istrator (Operations) and Murray Hirst has been promoted to Finance Manager.

History and Archives: Access to the Archives during the year under review was limited due to COVID-19. A small number of enquiries were received and attended to by convener, Judith Kilmartin.

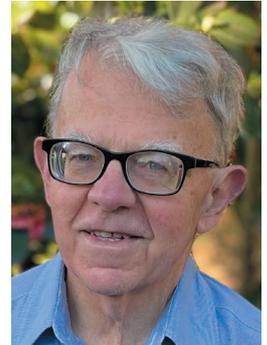
Donations: Because of COVID-19, the Sausage Sizzle team has been unable to operate, so the donations that they would normally make have been impossible. However, several significant donations have been made from income generated by capital donated for various relevant purposes and held in trust.

The Presbyterian Church of Victoria’s **Health and Community Chaplaincy Committee** (HCCC) is in a straitened situation because other donations to it have been curtailed by the effects of COVID, so we increased our regular Easter donation to \$5,000. Over and above this, the HCCC is facing the loss of significant support previously given by the state government. For the next three years the Board aims to give \$11,000 p.a. to enable them to transition gently to a new normal. The minor trusts, which are administered by the Trustees, aim to give similar support. Scots’ church is also, through the minor trusts, giving very substantial support to the PCV’s head office as they cope with a very difficult financial situation.

We continue to provide support for **PLC Scholarships for Indigenous Students**, with an amount of approximately \$50,000 donated during the financial year.

The Board has contributed \$18,000 towards the **salary of Andrew Wong**, the minister at Flemington and has agreed to pay \$6,000 p.a., over a three-year time frame, to help buy **food for the joint PCV and Scots Church mission** at Flemington.

The Board has also approved donations of \$5,000 each to the Presbyterian Inland Mission, the Royal Flying Doctor Service, and the moderator-general’s appeal for Timor Leste.



Douglas Sherman
(Honorary Secretary)

Finance Committee

THIS IS MY FIRST REPORT as the Honorary Treasurer of The Scots' Church. I pay tribute to Mr James Nuske who held the position faithfully for many years ensuring a high standard of financial governance. We are fortunate that Mr Nuske has opted to remain as a member of the Finance Committee.

In reviewing the past financial year, one cannot help but reflect on the impact that the Covid-19 pandemic has had on our nation and on our Church community. The Finance Committee has continued to meet either by Zoom or in person, where that was possible. Once again, the most significant impact on the Church's finances has been the loss of Open Plate Giving due to the closure of the Church. In addition, the closure of the Assembly Hall has had a very material impact on the ad hoc rental received from meeting rooms and halls. Whilst there has been loss of income from Giving and Hall Hire, these items make up a relatively small percentage of the Church's total income. The majority of the income is derived from the receipt of Stipends from the Scots' Church Properties Trust and the contribution from the Building, Maintenance and Improvement Fund. We are blessed by our congregation who have continued to contribute to the Church through other methods of giving such as direct debit.

Giving to the Church.

The figures in the adjoining chart indicate the impact that the pandemic has had on the offerings to the Church. These totals include the various methods of Giving and services. It is pleasing to note that Direct Debit has increased to assist with the decline in Open Plate and Planned Giving. During the 2021/22 financial years we plan to have discussions with the congregation about this matter. Giving for Sunday Evening, Wednesday and Thursday Lunch Services were impacted by the retirement of Rev Richard O'Brien.

Electronic Offerings, Donations & Payments

The pandemic has caused many people to avoid carrying cash and many more trans-

actions are handled electronically via "Tap and Go" credit and debit cards. The Church has obtained an electronic device which has been installed in the Russell Street foyer of the Church. The lockdown has prevented the full use of this device but in the future, it is hoped to use this method of payment for the various Church activities, including regular giving.

JobKeeper and other Government support

The Church was most fortunate to be able to access the assistance that both Federal and State Governments were offering to mitigate the impact of the pandemic.

The Church received a total of \$277,532 from these sources. This enabled all staff to be fully employed.

Building, Maintenance and Improvement Fund (BMI Fund).

As mentioned, the BMI Fund contributes annually to the General Fund. The health of the BMI Fund is determined by the distribution it receives as a beneficiary of the Scots' Church Properties Trust. The Trust (SCPT) receives its income from the rents from 162 Collins Street (Georges) and 150 Collins Street (the Westpac Building). The rents that the tenant of Georges receives from its sub-tenants have been severely impacted by the pandemic and this will have a significant impact on the distribution that the BMI Fund receives in November this year. It is of some concern that businesses in the City will not return to their former office occupancy levels, which could have a detrimental impact on the SCPT's income.



Offerings by Year

Offerings	Jun-18	Jun-19	Jun-20	Jun-21
Direct Debit	\$8,143.24	\$7,785.00	\$16,917.80	\$54,591.09
Offering Point	\$0.00	\$0.00	\$0.00	\$120.00
Open Plate	\$88,905.70	\$84,456.70	\$66,224.64	\$12,979.90
Planned Giving	\$54,854.55	\$56,984.55	\$45,986.70	\$23,090.00
Sunday Evening	\$10,231.85	\$8,037.36	\$1,819.95	\$0.00
Thurs Lunchtime	\$3,009.10	\$2,797.85	\$2,001.25	\$0.00
Wed Lunchtime	2,752.60	2,535.25	1,793.80	0
Total Offerings	\$167,897.04	\$162,596.71	\$134,744.14	\$90,780.99

Finance Committee (continued)

Cashflow forecasts

Cashflow forecasts for 2020/21 indicate that the Church's finances are in a healthy state. The audited financial reports included in this Annual Report will reflect this situation.

Cashflows will be monitored closely to ensure that the Church has sufficient funds to keep operating effectively and to meet its debts as and when they are due.

Costs

Costs are carefully monitored by the staff. New costs are closely examined and existing costs reviewed to ensure that the Church is operating as efficiently as possible. For example, when I retired as the Administrator at the end of 2020, it was decided that that position would not be filled, but that Jonathan North and Murray Hirst would jointly be responsible for the tasks previously handled by the Administrator. Jonathan North was appointed as the Administrator- Operations and Murray Hirst as the Finance Manager.

Investment & Special Purposes Fund

The Finance Committee monitors the performance of the Fund at each meeting. JB Were attends two meetings annually to brief the Committee on the performance of the investments and propose changes to the portfolio that they consider to be prudent. We are blessed that the portfolio has performed strongly in 2020/21 as the financial statement will demonstrate.

Donations from the Fund

The Finance Committee is also actively involved in determining the distribution of donations to various charities and where appropriate, to assist the Church. The Finance Committee puts forward recommendations to the Board for its approval.

During 2020/21 financial year the following donations were made from the Fund;

- Royal Flying Doctor-\$5,000
- Presbyterian Inland Mission-\$5,000
- St Stephen's Flemington- Contribution to Rev Andre.Wong's Stipend- \$18,000
- Presbyterian & Scots' Joint Mission - \$9,000
- PLC Indigenous Scholarships- \$51,515
- Reimbursement to General Fund for the cost of the IT Server upgrade-\$16,000
- Relief to Timor-Leste for the damage from Cyclone Seroja- \$5,000
- Shelterbox for emergency relief shelters

for homeless people- \$500

- Health & Community Chaplaincy Committee for Paediatric Care at the Royal Children's Hospital-\$11,000
- Health & Community Chaplaincy Committee- Good Friday Appeal- \$5,000
- The Big Hymn Sing-Electronic Production costs- \$5,300

We are most grateful to the Donors who have been so generous to the Church with their Bequests.

Finance Staff

As mentioned above, the Administrator retired at the end of 2020. It is pleasing to report that there was a seamless hand-over of duties to Murray Hirst and Jonathan North. Murray is assisted by Keenan North on a casual basis.

Finance Committee Members

The Church has been well served by the members of the Finance Committee which consists of Mr Sebert Ruddock (Honorary Treasurer and Convenor), Mr Craig Macintosh, Mr Dennis Conradi, Mr Barry Kilmartin, Dr Elizabeth Lewis, Mr Robert Lowe, Mr James Nuske and Dr Douglas Sherman. It is also pleasing and valuable that Rev Philip Campbell attends the meetings as well.

We give thanks to the Members for their time and dedication in overseeing the Church's finances.

Miss Rae Anstee

Miss Rae Anstee retired as a member of the Committee at the end of 2020. We give thanks to God for Rae and the many years that she served on the Committee and her dedication and passion for the good governance of the Church's finances. Blessings to you Rae!

Sebert Ruddock

Honorary Treasurer



Our giving trend 2018-21

Property Committee

DUE TO THE INFLUENCE OF THE COVID-19 PANDEMIC maintenance in and around the Church has been limited. The main work has been **installing static lines on the higher sections of the Church roof**, with safety anchor points soon to be installed on the lower sections. These measures ensure those working on the roof are doing so at the highest possible compliance and safety standards.

We have made a lot of progress in arranging the **installation of digital signs on the corner of Collins and Russell St**. This will ensure contemporary signs in keeping with the Church building and the overall 150 Collins St precinct. LED screens will allow timely messaging to the public about church events. At the time of writing this report a request regarding the installation of the signs is before Heritage Victoria.

This year is the **final year of our maintenance contract with Programmed Maintenance Services**, which will not be renewed. We are delighted **Andrew Conradi** has accepted a

part time contracted position to oversee facilities management for the Church. Andrew possesses a learned understanding of the Church, together with apt and quality professional skills. We thank Programmed Maintenance Services for their years of service to the Church.

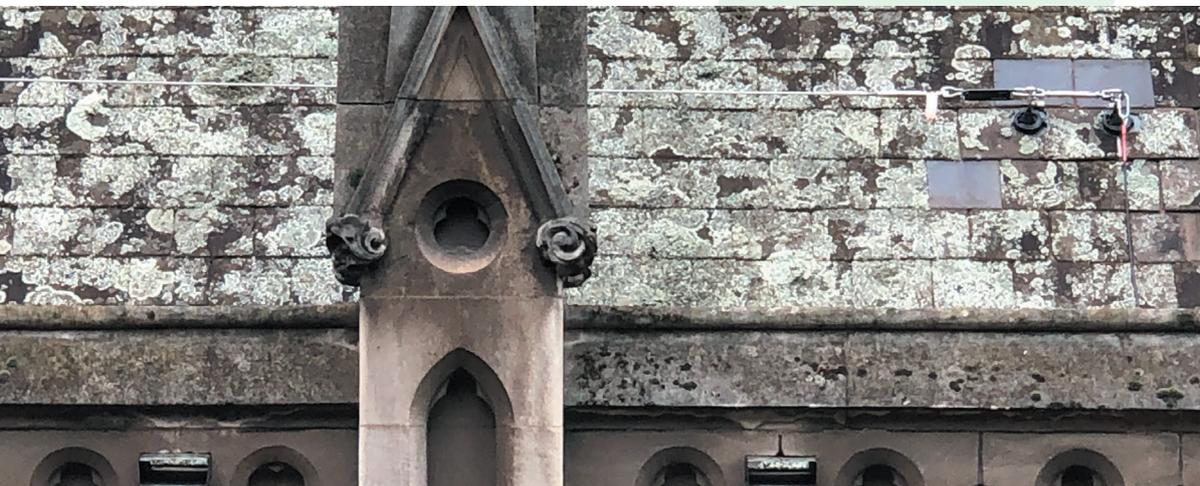
During the year we **changed Rick Holt's primary role** to that of Church Custodian, with his primary responsibilities being the clean and tidy presentation of the Church and to assist in weekday activities in the Church. Weekend cleaning and activities in the church will be performed by casual staff. We are delighted that Rick has accepted this role and taken ownership of it. This role was previously held by Bortolottos Property services. Bortolottos will continue to service the Assembly Hall Building. We thank Bortolottos for their work in the Church.

Dennis Conradi, Convenor

Jonathan North, Administrator Operations



Look carefully and you'll see the static safety lines installed on the roof.



The Scots' Church PROPERTIES TRUST

THE ONGOING EFFECTS OF THE COVID-19 PANDEMIC during the financial year ended 30th June 2021 have continued to impact The Scots' Church Properties Trust (SCPT). Like all commercial landlords the severe affect of lockdowns and government mandated rent relief for commercial tenants has resulted in drastically reduced income especially from the Georges Building. In addition to this a considerable sum had to be expended on the Georges Building to upgrade the Smoke Handling Management System to meet the new code requirements, all of which have severely reduced the net surplus of the Trust for the year. The flow on effect of this is reduced distributions to our beneficiaries.



During the year Miss Rae Anstee AM who had been a Trustee since 1997 announced her intention to retire. On behalf of the Trustees, I would like to take this opportunity to express our sincerest thanks to Rae for her 24 years of service to the Trust, the greater part of which was as its chairman.

Rae's leadership and dedication to the Trust were seen at their absolute best during the acquisition of the Assembly Hall, its refurbishment and the subsequent legal action which followed; steadfast through it all she never wavered. Her knowledge of the Trust will be missed, but she retires knowing that her legacy will continue with the remaining Trustees and, in time, the appointment of a new Trustee. We wish Rae a very happy well-earned retirement.

If Rae's retirement wasn't enough, Mr Sebert Ruddock the ex officio secretary of the Trust also announced his retirement. The Trustees would like to express their appreciation to Sebert for all that he has done on behalf of the Trust over the course of his tenure, and of course wish him a happy retirement. Mr Murray Hirst has taken on the position of ex officio secretary of the Trust.

Paul L Keress
Chairman



Scots' Church

BOARD of MANAGEMENT LTD

Scots' Church Board of Management Limited is a company limited by guarantee that was incorporated on 5 May 2017 with the specific purpose of holding the Scots' Church Board of Management's interest in Assembly Hall as directed by Judge Sifris' orders on 28 April 2017.

The following members of the Scots' Church Board of Management were elected as the founding directors of this entity:

Mr Craig McIntosh

Mr Graham Nixon

Dr Solomon Sahhar

It held its inaugural meeting on 5 May 2017 and Mr Craig McIntosh was elected Chairman. Transfer of title was completed on 18 June 2018.

These directors are also members of the **Assembly Hall Management Committee** which enables them to ensure the Scots' Church Board of Management 63% interest in the building is being maintained in a prudent manner with good governance.

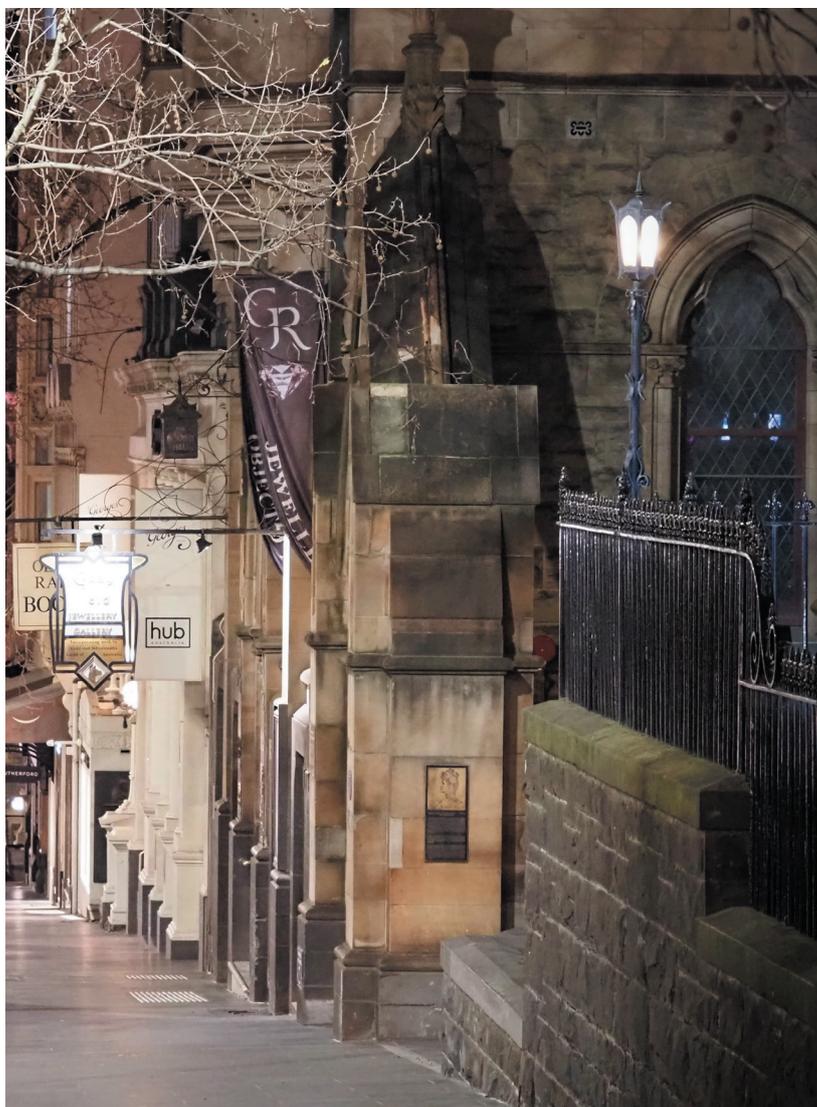
During the last year rental incomes from Assembly Hall were reduced due to rent relief being provided to several tenants under the COVID-19 Commercial and Residential Tenancies Legislation Amendment (Extension) Act 2020. This relief ceased at the end of March 2021 so normal rent levels have been restored and are expected to stabilise in the coming year as new tenants occupy previously vacant spaces in the building, albeit there may well be future ramifications on commercial rents as a result of ongoing restrictions and changes in CBD work practices. Currently the commercial tenancies are approximately 95% occupied.

As you will be aware, **the building is in need of the façade restoration** due to the deterioration of the stonework. The first steps in the process have begun which involve seeking quotations for a Façade Engineer who will be responsible for scoping, tendering and managing the restoration project. All other ongoing building maintenance is managed by Fitzroys under a Building Maintenance Program in conjunction with the regular cleaning and

minor maintenance program undertaken by Bortilloto's. The latter was expanded as a result of Covid-19 and is continuing until further notice.

Notwithstanding the decline in commercial rental incomes during the year, the Assembly Hall is in a sound financial position with \$293,319 in cash at bank as at 30 June 2021 and only minor commitments and/or liabilities as at that date.

Mr Craig McIntosh
Chairman



The Scots' Church

AUDITORS' REPORTS &
FINANCIAL STATEMENTS



Audit Reports and Financial Statements

C O N T E N T S

- The Scots' Church General Fund ABN 949 650 75115: Annual Report for the Financial Year Ended 30th June 2021
- The Scots' Church Building, Maintenance & Improvements Fund: Annual Report for the Financial Year Ended 30th June 2021
- The Scots' Church Investment & Special Purposes Fund: Annual Report for the Financial Year Ended 30th June 2021
- The Scots' Church – Indonesian Christian Church: Special Purpose Financial Report for the Financial Year Ended 31st December 2020
- Scots' Church Board of Management 63% interest in Assembly Hall: ACN 618 924 155 Annual Report for the Financial Year Ended 30 June 2021
- The Scots' Church Properties Trust ABN 89 115 098 913: Statement of Receipts and Payments for the Year Ended 30th June 2021
- The Scots' Church Minor Trusts: ABN 89 115 098 913: Financial Report for the Year Ended 30th June 2021
- Presbyterian and Scots' Church Joint Mission Inc. (Reg. No. A0026604L): Financial Statements for the Year Ended 30th June 2021
- The Scots' Church PWMU Financial Statement: Twelve Months Ended 30th June 2021
- Stephen's Presbyterian Church Flemington Financial Statement and Auditor's Report for the Year Ended 30th June 2021.

The Scots' Church General Fund
ABN 949 650 75115

**Annual report for the
financial year ended 30 June 2021**

Special purpose financial report for the financial year ended 30 June 2021

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Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

Board of Management's report

The Board of Management of The Scots' Church Melbourne ("The Scots' Church") submit the annual report of The Scots' Church General Fund ("the General Fund") for the financial year ended 30 June 2021.

The names of the Church's Board of Management during or since the end of the financial year are:

Ruling Elders

Miss Dorothy Anstee	1983 - present	Mr Andrew McDonald	2014 - present
Dr Charles C Castle	1987 - present	Mr Craig McIntosh	2005 - present
Mr Dennis Conradi	2005 - present	Mr Graham Nixon	1993 - present
Mr Bruce C Evans	1993 - present	Mr James F Nuske	2005 - present
Mr David Gibb	2014 - present	Dr Sol Sahhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mrs Helen A Holman	1983 - present	Mr Gordon Taylor	1987 - present
Mr Paul Keress	2007 - present	Mrs Lois Taylor	1993 - present
Mr Barry Kilmartin	2003 - present	Mr Wayne Truong	2014 - present
Mr Robert Lowe	2003 - present	Professor Sen Sendjaya	2010 - present

Teaching Elders

Rev Phil Campbell	2021 - present	Rev Douglas Robertson	2001 - 2020
Rev Philip Court	2020 - present	Rev Christian Tirtha	Indonesian Church
Rev Richard O'Brien	2003 - 2021	Rev Andrew Wong	St Stephens and Mission

Managers

Dr Caroline Allinson	2018 - present	Mrs Margaret E Lowe	2016 - present
Ms Lillian Chuah	2009 - 2020	Miss Lauris Murnane	2010 - present
Ms Elizabeth Charles	2017 - 2020	Ms Barbara Noisette	2017 - 2020
Mrs Margaret Conradi	2005 - present	Mr Joel Purushotta	2021 - Present
Mr Nader Hanna	2017 - present	Ms Jennifer Pilgrim	2009 - present
Mr Sonal Herlekar	2020 - Present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Mrs Judith Kilmartin	1993 - present	Mrs Jodie Tregale	2007 - present
Dr Elizabeth Lewis AM	2010 - present		

Session Clerk

Mr Peter Armstong	2018 - 2020	Ms Rosalie Strother	2020 -present
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Deputy Session Clerk

Dr Rosemary Feathers	2021 - present
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Honorary Secretary

Dr Douglas Sherman	1997 – present
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The above-named persons held office during and since the end of the financial year unless otherwise stated.

Board of Management's report (cont'd)

Principal activities

The principal activities of the General Fund during the financial year were the provision of religious services. No significant change in the nature of these activities occurred during the financial year.

Review of operations

The results of the operations of the General Fund are disclosed in the statement of profit or loss and other comprehensive income of these financial statements. The surplus for the financial year was \$138,642 (2020: Deficit \$221,894).

Changes in state of affairs

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity and this still has continuing effect on the economic activities due to series of lockdown.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Board of Management considered that the financial effects of COVID-19 on the General Fund financial statements cannot be reasonably estimated for future financial periods. However, the Board of Management consider that the general economic impacts arising from COVID-19 are expected to have a negative impact on certain sections of the operations. It is likely to impact on certain market segments for the Fund's related entities. The economic effects arising from the COVID-19 outbreak are expected to affect the results of the General fund for the full year of 2022.

Environmental regulations

The General Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Distributions

In respect of the financial year ended 30 June 2021, no distributions were paid from the General Fund (2020: \$Nil).

Indemnification of officers and auditors

During or since the financial year the General Fund has not indemnified or made a relevant agreement to indemnify an officer or auditor of the General Fund or of any related body corporate against a liability incurred as such an officer or auditor.

The Board of Management and any other office bearers within the church are insured for Liability as 'Directors and Officers' by an insurance policy taken out by the Presbyterian Church of Victoria on behalf of all affiliated Presbyterian Churches in Victoria. Each church, including The Scots' Church, contributes to the premium for this policy.

Proceedings on behalf of the General Fund

No person has applied to leave of court to bring proceedings on behalf of the General Fund or intervene in any proceedings to which the General Fund is a party for the purpose of taking responsibility on behalf of the General Fund for all or any part of those proceedings. The General Fund was not a party to any such proceedings during the financial year.

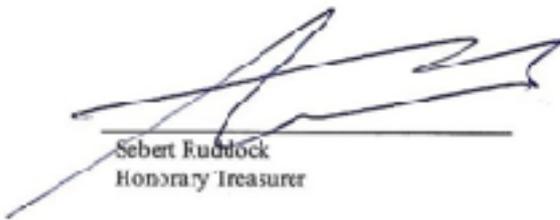
Board of Managements' report (cont'd)

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Signed in accordance with a resolution of the Board of Management

On behalf of the members of the Board of Management,



Sebert Fuddock
Honorary Treasurer

Melbourne, 22 September 2021

Independent Auditor's Report to the Board of Management of The Scots' Church General Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of The Scots' Church General Fund (the "General fund"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration statement by the Board of Management as set out on pages 7 to 24.

In our opinion the accompanying financial report presents fairly in all material respects the General fund's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting requirements of the Board of Management of The Scots' Church General Fund and the accounting policies described in note 3.

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 General fund in accordance with the auditor independence requirements of the Board of Management of Scots' Church and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the Board of Management, which has been given to the Board of Management of the General fund, would be in the same terms if given to the Board of Management as at the time of this auditor's report.

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 and Restriction on Distribution and Use

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board of Management to meet the financial reporting requirements of the Board of Management. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board of Management and should not be distributed or used by parties other than the Board of Management. Our opinion is not modified in respect of this matter.

Other Information

The Board of Management is responsible for the other information. The other information comprises the Board of Management report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Board of Management's Responsibility for the Financial Report

Management of the General Fund is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 3, is appropriate to meet the financial reporting requirements of the board of management and is appropriate to meet the needs of the members. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the 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 ability of the general fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the general fund or to cease operations, or has no realistic alternative but to do so.

The Board of Management is responsible for overseeing the general fund'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 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 General fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.

- Conclude on the appropriateness of the board 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 General fund'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 General fund 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 management and the Board of Management 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 22 September 2021

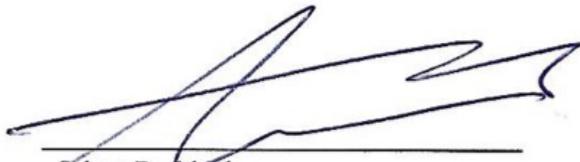
Board of Managements' declaration

As detailed in Note 3 to the financial statements, The General Fund is not a reporting entity because in the opinion of the Board of Management 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 to satisfy the Board's reporting requirements.

The Board of Management declares that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the General Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the Board's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and give a true and fair view of the financial position and performance of the General Fund.

Signed in accordance with a resolution of the Board of Management,



Sebert Ruddock
Honorary Treasurer

Melbourne, 22 September 2021

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

Income	Note	2021 \$	2020 \$
Contribution from The Scots' Church Building, Maintenance & Improvements Fund		442,788	426,578
Contributions from the Scots' Church Properties Trust	4(c)	297,008	292,090
Contributions from the Scots' Church Minor Trust		36,000	-
Interest income		10	144
Legacies and bequests		23,107	33,892
Offerings	4(a)	90,181	134,744
Other income	4(b)	473,967	365,779
Total Income		1,363,061	1,253,227
Expenses			
Church expenses	5(a)	(296,747)	(313,012)
Depreciation, amortisation and impairment		(3,782)	(3,782)
Security expenses		(22,834)	(31,678)
General mission program		(10,424)	(11,352)
Legal expenses		(1,021)	(5,401)
Ministry and payroll expenses	5(b)	(871,421)	(823,786)
Other expenses	5(c)	(17,928)	(13,855)
Expected credit losses expense	5(c)	-	(271,872)
Finance costs		(262)	(383)
Total Expenses		(1,224,419)	(1,475,121)
Surplus/(deficit) before tax		138,642	(221,894)
Income tax expense	3(j)	-	-
Surplus/(deficit) for the year		138,642	(221,894)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		138,642	(221,894)

The accompanying notes form part of these financial statements.

Statement of financial position at 30 June 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Current assets			
Cash and cash equivalents	11(a)	409,467	353,498
Trade and other receivables	6	73,309	52,067
Total current assets		<u>482,776</u>	<u>405,565</u>
Non-current assets			
Property, plant and equipment	7	12,850	951
Right-of-use asset		5,668	9,250
Total non-current assets		<u>18,518</u>	<u>10,201</u>
Total assets		<u>501,294</u>	<u>415,766</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	102,186	101,232
Provisions	10	105,090	94,299
Lease liability		3,668	3,542
Total current liabilities		<u>210,944</u>	<u>199,073</u>
Non-current liabilities			
Borrowings from the Scots' Church Building, Maintenance & Improvements Fund	9	304,576	364,481
Provisions	10	167	1,579
Lease liability		2,200	5,868
Total non-current liabilities		<u>306,943</u>	<u>371,928</u>
Total liabilities		<u>517,887</u>	<u>571,001</u>
Net liabilities		<u>(16,593)</u>	<u>(155,235)</u>
Equity			
Accumulated deficit		(16,593)	(155,235)
Total equity		<u>(16,593)</u>	<u>(155,235)</u>

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2021

	Accumulated surplus/(losses) \$	Total \$
Balance at 1 July 2019	66,659	66,659
Deficit for the year	(221,894)	(221,894)
Other comprehensive income	-	-
Total comprehensive loss for the year	(221,894)	(221,894)
Balance at 30 June 2020	(155,235)	(155,235)
Balance at 1 July 2020	(155,235)	(155,235)
Surplus for the year	138,642	120,642
Other comprehensive income	-	-
Total comprehensive income for the year	138,642	120,642
Balance at 30 June 2021	(16,593)	(34,593)

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Cash flows from operating activities			
Receipts and donations		371,512	784,682
Legacies and bequests		23,107	33,892
COVID-19 Government support		247,603	42,012
Receipts from the Scots' Church Building, Maintenance & Improvements Fund		387,389	438,204
Receipts from The Scots' Church Properties Trust		297,008	292,090
Receipts from The Scots' Church Minor Trust		18,000	-
Payments to suppliers and employees		(1,272,757)	(1,525,375)
Finance cost		(262)	(383)
Net cash generated by operating activities	11(b)	<u>71,600</u>	<u>65,122</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(12,100)	-
Interest income		10	144
Net cash (used in) / generated by investing activities		<u>(12,090)</u>	<u>144</u>
Cash flows from financing activities			
Repayment of lease liability		(3,541)	(7,608)
Net cash flow used in financing activities		<u>(3,541)</u>	<u>(7,608)</u>
Net increase in cash and cash equivalents		55,969	57,658
Cash and cash equivalents at the beginning of the year		<u>353,498</u>	<u>295,840</u>
Cash and cash equivalents at the end of the year	11(a)	<u>409,467</u>	<u>353,498</u>

The accompanying notes form part of these financial statements.

1. General information

The Scots' Church General Fund's ("the general fund") registered office and principal place of business are as follows:

The Scots' Church Melbourne
1/156 Collins Street
MELBOURNE VIC 3000

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The general fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

The following pronouncement is relevant for the annual reporting period for not-for-profit (NFP) entities preparing special purpose financial statements:

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*

AASB 2019-4 introduces additional disclosures in special purpose financial statements on the compliance with recognition and measurement requirements and is mandatorily effective for the current period (ie for the year ending 30 June 2021) for NFP entities.

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Fund has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There was no material impact to the financial statements as a result of the adoption of these standards.

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the General fund has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 1060 – <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i>	1 July 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.</i>	1 July 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 2023

The Board of Management of the General Fund has not fully assess the impact of the above standards that are not effective that apply in respect of financial year ending 30 June 2021 and after this date, but do not anticipate that the impact will be material to the financial statements

3. Significant accounting policies

Financial reporting framework

The Scots' Church General Fund is not a reporting entity because in the opinion of the Board of Management 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 to satisfy the Board of Management's reporting requirements.

For the purpose of this financial report the entity is a not for profit entity, registered with the *Australian Charities and Not-for-profits Commission* "ACNC".

Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Additional Australian Disclosures*.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the General fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. Significant accounting policies (cont'd)

Application of the consolidation and equity accounting requirements

The General Fund has no investments in subsidiaries or investments in Associates and Joint Ventures.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the General Fund's accounting policies, which are described below, the Board of Management are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are reviewed annually to ensure that assets are being appropriately depreciated. No key assumptions have been made concerning the future and there are no other key sources of estimation at the balance date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Management judgement is also applied in determining the provision for long service leave where the following key assumptions are used in the calculation of long service leave at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

Going concern

As at 30 June 2021 the Scots' Church General Fund has a net asset deficiency of \$16,593 (2020: deficiency \$155,235). The General fund is supported by The Scots' Church Building, Maintenance and Improvements Fund who has provided an unconditional letter of support to ensure the General Fund can pay its debt as and when they fall due.

The Scots' Church Building, Maintenance and Improvements Fund has net assets of \$3,362,247 as of 30 June 2021 (2020: \$3,266,883) and contributes to the General Fund annually. Accordingly, it is the Board of Management's opinion that the general fund has an ability to pay its debts as and when they fall due and continue to operate as a going concern for a period of at least the next 12 months from the date of this report.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income

The General fund applies AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the general fund to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

3. Significant accounting policies (cont'd)

(a) Income (cont'd)

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the general fund satisfies a performance obligation.

AASB 15 establishes a single comprehensive model for entities to use in accounting for income arising from contracts with customers.

The General fund recognises income from the following major source:

Contribution from The Scots' Church Building, Maintenance & Improvements Fund

Contributions from The Scots' Church Building, Maintenance & Improvements Fund are intended to cover the expenses incurred by the General Fund for the running of the Church. Revenue is recognised when the contribution has been received.

Offerings

Offerings are the cash donations received by the Church from time to time and are recognised on a cash basis.

The Scots' Church Properties Trust

This revenue comprises cash contributions from The Scots' Church Properties Trust to contribute towards ministry stipends and for congregational purposes. Revenue is recognised when the contribution has been declared.

(b) Expenses

Church expenses

Church expenses are incurred in relation to the running of the Scots' Church and are recognised on an accrual basis.

Ministry expenses

Ministry expenses comprise salary and employee benefits for Ministers and are recognised on an accrual basis.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts and credit cards.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities

Financial assets and financial liabilities are recognised when the general fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The General fund's financial assets include trade receivables, loans and other receivables and are recorded at amortised cost less impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The General fund recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The General fund always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the General fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. During the year ended 30 June 2021, no impairment of a related party receivable was recorded (2020: \$271,872).

3. Significant accounting policies (cont'd)

(d) Financial assets and Liabilities (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the General fund's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the General fund in accordance with the contract and all the cash flows that the General fund expects to receive, discounted at the original effective interest rate.

If the General fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the General fund measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The General fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The General fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another General fund. If the General fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the General fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the General fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the General fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities, including trade payables and other accounts payable are recognised when the General Fund becomes obliged to make future payments resulting from the purchase of goods and services. These are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition

The General fund derecognises financial liabilities when, and only when, the General fund's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Significant accounting policies (cont'd)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

The Scots' Church General Fund reviews the useful lives of property, plant and equipment at the end of each financial year with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Plant and equipment	5 – 10 years
Furniture, fixtures and fittings	3 – 4 years
Office and equipment	2 – 4 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of tangible assets

At each reporting date, the board of management assess whether there is objective evidence that a tangible asset has been impaired. Impairment losses are recognised in the statement of comprehensive income. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

In respect of not-for-profit entities, where the future economic benefits of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the general fund would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciable replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(f) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the general fund in respect of services provided by employees up to reporting date.

3. Significant accounting policies (cont'd)

(g) Leased assets

The General fund assesses whether a contract is or contains a lease, at inception of the contract. The General fund recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the General fund recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the General fund uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the General fund expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in statement of financial position.

The General fund applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

(h) Provisions

Provisions are recognised when the General Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the General Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(i) Income tax

The General Fund is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

3. Significant accounting policies (cont'd)

(j) Goods and Services Tax (GST)

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 flows are included in the cash flow statement on a gross basis. 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.

The Scots' Church General Fund
Notes to the financial statements

	2021 \$	2020 \$
4. Income		
(a) Offerings		
Direct debit	54,591	16,918
Open plate	13,100	71,839
Planned giving	22,490	45,987
	90,181	134,744
(b) Other income		
Church fees	3,000	14,400
Appeals	2,042	11,781
Donations	5,182	15,163
Fundraising	-	3,863
Hall hire	21,551	82,112
Information table	70	159
Reimbursement of expenses	112,733	123,752
COVID Government support	247,603	42,012
Other income	81,786	72,537
	473,967	365,779
(c) Contributions from the Scots' Church Properties Trust		
Congregational purposes	148,504	146,045
Contributions towards salaries and stipends for Ministers	148,504	146,045
	297,008	292,090
5. Expenses		
(a) Church expenses		
Advertising	994	7,976
Professional fees	59,471	33,971
Computer expenses	15,726	15,402
Donations	14,231	32,970
Flowers and decorations	3,192	3,957
Lighting, heating and water	34,161	48,663
Music	15,542	22,062
Postage	7,080	4,450
Printing and reproduction	27,310	39,697
Sundry expenses	101,016	89,438
Telephone	18,024	14,426
	296,747	313,012

	2021	2020
	\$	\$
5. Expenses (cont'd)		
(b) Ministry and payroll expenses		
Allowances	138,825	128,082
Insurance	5,570	15,760
Leave Provision	47,100	(11,718)
Pulpit fees	9,361	7,382
Salaries	482,242	426,235
Stipends	102,777	177,424
Superannuation	73,710	72,162
Workcover	11,036	8,109
Other	800	350
	871,421	823,786
(c) Other expenses		
Expense for expected credit losses	-	271,872
Miscellaneous	17,928	13,855
	17,928	285,727
6. Receivables		
Related party receivables:		
The Scots' Church Properties Trust	276,024	275,434
Less provision for impairment	(271,872)	(271,872)
	4,152	3,562
The Scots' Church Building, Maintenance and Improvements Fund	9,864	14,370
The Scots' Church Investments, & Special Purpose Fund	26,170	15,935
The Scots' Church – Minor Trust	18,000	-
The Scots' Church – Indonesian Christian Church	347	-
Other receivables	14,776	18,200
	73,309	52,067
7. Property, plant and equipment		
Plant and equipment - at cost	14,664	14,664
Accumulated depreciation	(14,078)	(13,877)
	586	787
Furniture, fixtures and fittings - at cost	11,653	11,653
Accumulated depreciation	(11,581)	(11,581)
	72	72
Office equipment - at cost	72,516	60,416
Accumulated depreciation	(60,324)	(60,324)
	12,192	92
Total property, plant and equipment	12,850	951

	2021	2020
	\$	\$
	2019	2018
	\$	\$
8. Trade and other payables		
Trade payables	49,053	61,898
Accrued expenses	53,133	39,334
	102,186	101,232
 9. Borrowings – related party		
Loan from The Scots' Church Building, Maintenance and Improvements Fund		
Current	-	-
Non-current	304,576	364,481
Total	304,576	364,481
 10. Provisions		
<u>Current</u>		
Employee benefits – Annual Leave	31,811	27,299
Employee benefits – Long Service Leave	73,279	67,000
	105,090	94,299
 <u>Non-current</u>		
Employee benefits – Long Service Leave	167	1,579
 11. Cash and cash equivalents		
(a) Reconciliation of cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:		
Cash at bank and in hand	409,467	353,498

	2021 \$	2020 \$
11. Cash and cash equivalents (cont'd)		
(b) Reconciliation of surplus/(deficit) for the year to net cash flows from operating activities		
Surplus/(deficit) for the year	138,642	(221,894)
Interest income	(10)	(144)
Depreciation and amortisation	3,782	3,782
Provision for expected credit losses	-	275,833
Movement in working capital:		
(Increase)/decrease in assets:		
Trade and other receivables	(25,748)	63,930
Increase/(decrease) in liabilities:		
Trade and other payables	954	(57,820)
Loans	(55,399)	11,626
Provisions	9,379	(10,191)
Net cash generated by operating activities	<u>71,600</u>	<u>65,122</u>

12. Commitments and contingencies

There were no commitments or contingent liabilities at 30 June 2021.

13. Auditor's remuneration

Audit of the financial statements	<u>20,620</u>	<u>21,320</u>
	<u>20,620</u>	<u>21,320</u>

The auditor of the General Fund is Deloitte Touche Tohmatsu.

14. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the fund, the results of those operations, or the state of affairs of the fund in future financial years.

**The Scots' Church Building, Maintenance &
Improvements Fund**

**Annual report for the
financial year ended 30 June 2021**

Special purpose financial report for the financial year ended 30 June 2021

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Board of Management's report

The Board of Management of The Scots' Church Melbourne ("The Scots' Church") submit herewith the annual report of The Scots' Church Building, Maintenance & Improvements Fund ("the Building, Maintenance & Improvements Fund") for the financial year ended 30 June 2021.

The names of the Church's Board of Management during or since the end of the financial year are:

Ruling Elders

Miss Dorothy Anstee	1983 - present	Mr Andrew McDonald	2014 - present
Dr Charles C Castle	1987 - present	Mr Craig McIntosh	2005 - present
Mr Dennis Conradi	2005 - present	Mr Graham Nixon	1993 - present
Mr Bruce C Evans	1993 - present	Mr James F Nuske	2005 - present
Mr David Gibb	2014 - present	Dr Sol Sahhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mrs Helen A Holman	1983 - present	Mr Gordon Taylor	1987 - present
Mr Paul Keress	2007 - present	Mrs Lois Taylor	1993 - present
Mr Barry Kilmartin	2003 - present	Mr Wayne Truong	2014 - present
Mr Robert Lowe	2003 - present	Professor Sen Sendjaya	2010 - present

Teaching Elders

Rev Phil Campbell	2021 - present	Rev Douglas Robertson	2001 - 2020
Rev Philip Court	2020 - present	Rev Christian Tirtha	Indonesian Church
Rev Richard O'Brien	2003 - 2021	Rev Andrew Wong	St Stephens and Mission

Managers

Dr Caroline Allinson	2018 - present	Mrs Margaret E Lowe	2016 - present
Ms Lillian Chuah	2009 - 2020	Miss Lauris Murnane	2010 - present
Ms Elizabeth Charles	2017 - 2020	Ms Barbara Noisette	2017 - 2020
Mrs Margaret Conradi	2005 - present	Mr Joel Purushotta	2021 - Present
Mr Nader Hanna	2017 - present	Ms Jennifer Pilgrim	2009 - present
Mr Sonal Herlekar	2020 - Present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Mrs Judith Kilmartin	1993 - present	Mrs Jodie Tregale	2007 - present
Dr Elizabeth Lewis AM	2010 - present		

Session Clerk

Mr Peter Armstong	2018 - 2020	Ms Rosalie Strother	2020 -present
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Deputy Session Clerk

Dr Rosemary Feathers	2021 - present	Honorary Secretary	
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Dr Douglas Sherman 1997 – present

Honorary Treasurer

Mr James Nuske	1997 - 2020	Mr Sebert Ruddock	2020 - present
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Board of Management's report (cont'd)

Principal activities

The principal activity of the Building, Maintenance & Improvements Fund during the financial year was the maintenance of the Scots' Church buildings. No significant change in the nature of these activities occurred during the financial year.

Review of operations

The results of the operations of the Building, Maintenance & Improvements Fund are disclosed in the statement of profit or loss and other comprehensive income of these financial statements. The total surplus for the financial year was \$95,364 (2020: Surplus \$176,978).

Changes in state of affairs

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries have caused disruption to businesses and economic activity and this still has continuing effect on the economic activities due to series of lockdown.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Board of Management considered that the financial effects of COVID-19 on the General Fund financial statements cannot be reasonably estimated for future financial periods. However, the Board of Management consider that the general economic impacts arising from COVID-19 are expected to have a negative impact on certain sections of the operations. It is likely to impact on certain market segments for the Fund's related entities. The economic effects arising from the COVID-19 outbreak are expected to affect the results of the Building, Maintenance and Improvements fund for the full year of 2022.

Environmental regulations

The Building, Maintenance & Improvements Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Contributions to the Scots' Church General Fund

In respect of the financial year ended 30 June 2021, distributions of \$442,778 were paid from the Building, Maintenance & Improvements Fund to the General Fund (2020: \$426,578).

Indemnification of officers and auditors

During or since the financial year the Building, Maintenance & Improvements Fund has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Building, Maintenance & Improvements Fund or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Building, Maintenance & Improvements Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Proceedings on behalf of the Building, Maintenance & Improvements Fund

No person has applied to leave of court to bring proceedings on behalf of the Building, Maintenance & Improvements Fund or intervene in any proceedings to which the Building, Maintenance & Improvements Fund is a party for the purpose of taking responsibility on behalf of the Building, Maintenance & Improvements Fund for all or any part of those proceedings. The Building, Maintenance & Improvements Fund was not a party to any such proceedings during the financial year.

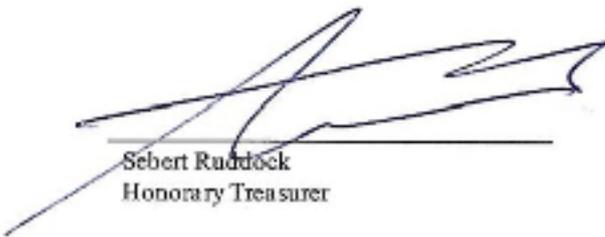
Board of Managements' report (cont'd)

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the fund, the results of those operations, or the state of affairs of the fund in future financial years.

Signed in accordance with a resolution of the Board of Management

On behalf of the members of the Board of Management,



Sebert Ruddock
Honorary Treasurer

Melbourne, 22 September 2021

Independent Auditor's Report to the Board of Management of The Scots' Church Building, Maintenance & Improvements Fund

Opinion

We have audited the financial report, being a special purpose financial report, of The Scots' Church Building, Maintenance & Improvements Fund (the "Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration statement by the board of management as set out on pages 7 to 23.

In our opinion the accompanying financial report presents fairly in all material respects the Entity's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting requirements of the Board of Management of the entity and the accounting policies described in note 3.

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 Board of Management of Scots' Church and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the Board of Management, which has been given to the Board of Management of the Entity, would be in the same terms if given to the Board of Management as at the time of this auditor's report.

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 and Restriction on Distribution and Use

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board of Management to meet the financial reporting requirements of the Board of Management. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board of Management and should not be distributed or used by parties other than the Board of Management. Our opinion is not modified in respect of this matter.

Other Information

The Board of Management is responsible for the other information. The other information comprises the board of management report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management and the Board of Management's Responsibility for the Financial Report

Management of the entity is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note [x], is appropriate to meet the financial reporting requirements of the board of management and is appropriate to meet the needs of the board of management. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the 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 ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Board of Management 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 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.

Deloitte.

- 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 the 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 the management and the Board of Management 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 22 September 2021

Board of Managements' declaration

As detailed in Note 3 to the financial statements, The Building, Maintenance & Improvements Fund is not a reporting entity because in the opinion of the Board of Management 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 to satisfy the Board's reporting requirements.

The Board of Management declares that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the Building, Maintenance & Improvements Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the Board's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and give a true and fair view of the financial position and performance of the Building, Maintenance & Improvements Fund.

Signed in accordance with a resolution of the Board of Management,



Sebert Ruddock
Honorary Treasurer

Melbourne, 22 September 2021

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Interest income		3,770	11,788
COVID 19 Government Support		29,919	7,706
Distribution from The Scots' Church Properties Trust		728,218	1,022,972
Other income		90,860	-
		852,767	1,042,466
Expenses			
Contribution to The Scots' Church General Fund		(442,788)	(426,578)
Depreciation and amortisation		(33,131)	(38,988)
Employee benefits expense	4(c)	(96,063)	(169,490)
Maintenance	4(a)	(129,778)	(165,528)
Other expenses	4(b)	(56,881)	(64,904)
		(758,641)	(865,488)
Surplus before tax		94,126	176,978
Income tax expense	3(g)	-	-
Surplus for the year		94,126	176,978
Other comprehensive income			
Gain on revaluation of Organ	9	1,238	1,086
Total comprehensive income for the year		95,364	178,064

The accompanying notes form part of these financial statements.

Statement of financial position at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	10(a)	617,660	740,679
Receivable from related entities	5	728,219	1,022,972
Trade and other receivables	5	11,586	14,550
Other financial assets		500,000	-
Total current assets		1,857,465	1,778,201
Non-current assets			
Property, plant and equipment	6	1,536,005	1,567,898
Total non-current assets		1,536,005	1,567,898
Total assets		3,393,470	3,346,099
 Current liabilities			
Trade and other payables	7	12,673	16,768
Provision for employee benefits	8	18,550	31,504
Other provisions		-	30,944
Total current liabilities		31,223	79,216
Non-current liabilities		-	-
Total liabilities		31,223	79,216
Net assets		3,362,247	3,266,883
 Equity			
Accumulated funds		1,955,659	1,861,533
Reserves	9	1,406,588	1,405,350
Total equity		3,362,247	3,266,883

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2021

	Accumulated funds \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2019	1,684,555	1,404,264	3,088,819
Increase in fair value of organ	-	1,086	1,086
Income for the year	176,978	-	176,978
Total comprehensive income for the year	176,978	1,086	178,064
Balance at 30 June 2020	1,861,533	1,405,350	3,266,883
Balance at 1 July 2020	1,861,533	1,405,350	3,266,883
Increase in fair value of organ	-	1,238	1,238
Income for the year	94,126	-	94,126
Total comprehensive income for the year	94,126	1,238	95,364
Balance at 30 June 2021	1,955,659	1,406,588	3,362,247

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from The Scots' Church Properties Trust		1,022,972	946,655
COVID 19 Government support		29,929	7,706
Payments to employees and suppliers		(262,372)	(421,715)
Interest received		3,770	11,788
Payments to The Scots' Church General Fund		(387,389)	(438,204)
Net cash generated by operating activities	10(b)	376,981	90,818
Cash flows from investing activities			
Amount invested in term deposits		(500,000)	-
Net cash generated by investing activities		(500,000)	-
Cash flows from financing activities			
Net cash generated by financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(123,019)	90,818
Cash and cash equivalents at the beginning of the year		740,679	649,861
Cash and cash equivalents at the end of the year	10(a)	617,660	740,679

The accompanying notes form part of these financial statements.

The Scots' Church Building, Maintenance & Improvements Fund

Notes to the financial statements

1. General information

The Scots' Church Building, Maintenance & Improvements Fund's registered office and principal place of business are as follows:

The Scots' Church Melbourne
1/156 Collins Street
MELBOURNE VIC 3000

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Building and Maintenance fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

The following pronouncement is relevant for the annual reporting period for not-for-profit (NFP) entities preparing special purpose financial statements:

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*

AASB 2019-4 introduces additional disclosures in special purpose financial statements on the compliance with recognition and measurement requirements and is mandatorily effective for the current period (ie for the year ending 30 June 2021) for NFP entities.

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Fund has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There was no material impact to the financial statements as a result of the adoption of these standards.

The Scots' Church Building, Maintenance & Improvements Fund

Notes to the financial statements

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the General fund has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
<i>AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i>	1 July 2022
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.</i>	1 July 2023
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 2023

The Board of Management of the Building, Maintenance & Improvements Fund has not fully assessed the impact of the above standards that are not effective that apply in respect of financial year ending 30 June 2021 and after this date, but do not anticipate that the impact will be material to the financial statements

3. Significant accounting policies

Financial reporting framework

The Building, Maintenance & Improvements Fund is not a reporting entity because in the opinion of the Board of Management 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 to satisfy the Board of Management's reporting requirements.

For the purpose of the financial report this entity is a not for profit entity.

Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statement*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. Significant accounting policies (cont'd)

Application of the consolidation and equity accounting requirements

The Building, Maintenance & Improvements Fund has no investments in subsidiaries or investments in Associates and Joint Ventures.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Building, Maintenance & Improvements Fund's accounting policies, which are described below, the Board of Management are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Depreciation and useful lives

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are reviewed annually to ensure that assets are being appropriately depreciated. No key assumptions have been made concerning the future and there are no other key sources of estimation at the balance date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Useful lives and residual value of property, plant and equipment are reviewed annually. Judgment is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Management judgement is also applied in determining the provision for long service leave using the following key assumptions used in the calculation at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income

The Entity applies AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

3. Significant accounting policies (cont'd)

(a) Income (cont'd)

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

AASB 15 establishes a single comprehensive model for entities to use in accounting for income arising from contracts with customers.

The Entity recognises income from the following major source:

Distribution from The Scots' Church Properties Trust

Distribution income from The Scots' Church Properties Trust is recognised when the beneficiaries' rights to receive the payment has been established.

(b) Expenses

Contribution to The Scots' Church General Fund

Contributions to The Scots' Church General Fund are intended to cover expenses incurred by General Fund due to running of the Church and were approved by the General Assembly in October 2004.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks.

(d) Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. Significant accounting policies (cont'd)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Entity's financial assets include trade receivables, loans and other receivables and are recorded at amortised cost less impairment.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Impairment of financial assets

The Entity recognises loss allowances for expected credit losses on trade receivables and related party receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognises lifetime expected credit losses (ECL) for trade receivables and related party receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. During 2020, no impairment of trade receivables has been recorded (2019: nil).

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Entity's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the original effective interest rate.

If the Entity has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities (cont'd)

The Entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities, including trade payables and other accounts payable are recognised when the Building, Maintenance & Improvements Fund becomes obliged to make future payments resulting from the purchase of goods and services. These are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Property, plant and equipment

Organ Rieger Orgelbau

The Organ Rieger Orgelbau is held at fair value. The Board of Management receives an independent valuation on an annual basis. Any changes in fair value are recorded through the asset revaluation reserve.

Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Property, plant and equipment purchased prior to 1 January 1996 has not been capitalised. Any property, plant and equipment purchased prior to this date was expensed as purchased.

The following useful lives are used in the calculation of depreciation:

Plant and equipment	5 – 10 years	Straight line
Furniture, fixtures and fittings	10 years	Straight line
Organ	100 years	Straight line
Improvements	10 years	Straight line

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

3. Significant accounting policies (cont'd)

(f) Provisions

Provisions are recognised when the Building, Maintenance & Improvements Fund has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provisions can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking in to account the risks and the uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(g) Income tax

The Building, Maintenance & Improvements Fund is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax (GST)

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

(i) Impairment of tangible assets

At each reporting date, the board of management assess whether there is objective evidence that a tangible asset has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use.

In respect of not-for-profit entities, where the future economic benefits of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciable replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. Significant accounting policies (cont'd)

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, superannuation, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Scots' Church Building, Maintenance & Improvements Fund
Notes to the financial statements

	2021	2020
	\$	\$
4. Expenses		
(a) Maintenance		
Building	29,830	31,649
Cleaning	2,748	30,882
External	5,110	8,915
Manse maintenance	6,234	12,395
Organ tuning	2,850	670
Other building works	79,577	64,304
Sound system	463	5,865
Waste disposal	2,966	8,330
Electrical	-	2,518
	129,778	165,528
(b) Other expenses		
Security and fire system	26,898	19,385
Consulting and professional fees	29,983	33,893
Related party loss allowance	-	11,626
	56,881	64,904
(c) Employee benefits		
Fringe benefits tax expense	64	9,039
Salaries and wages	95,931	146,007
Other employee benefits provided	68	14,444
	96,063	169,490
5. Trade and other receivables		
<u>Current</u>		
Receivables from The Scots' Church Properties Trust	728,219	1,022,972
	728,219	1,022,972
Trade receivables	11,586	14,550
	11,586	14,550
<u>Non-current</u>		
Loan to related party – The Scots' Church General Fund	304,576	364,481
Loss allowance	(304,576)	(364,481)
	-	-

The Scots' Church Building, Maintenance & Improvements Fund

Notes to the financial statements

	2021	2020
	\$	\$
6. Property, plant and equipment		
Organ Rieger Orgelbau – at fair value (i)	1,483,622	1,498,608
Plant and equipment - at cost	90,945	90,945
Accumulated depreciation	<u>(90,945)</u>	<u>(90,945)</u>
	-	-
Furniture, fixtures and fittings – at cost	194,706	194,706
Accumulated depreciation	<u>(194,678)</u>	<u>(194,426)</u>
	28	280
Improvements - at cost	187,782	187,782
Accumulated depreciation	<u>(135,427)</u>	<u>(118,772)</u>
	52,355	69,010
Total property, plant and equipment	<u>1,536,005</u>	<u>1,567,898</u>

(i) The Board of Management have determined to measure the Organ Rieger Orgelbau at the fair value based on an independent valuation received from Rieger Orgelbau GmbH. The Organ Rieger Orgelbau was revalued in 2008 by Rieger Orgelbau GmbH. The Board of Management have obtained a confirmation from Rieger Orgelbau, confirming the carrying value continues to reflect the fair value of the Organ Rieger Orgelbau as at 30 June 2021.

7. Trade and other payables

Trade payables	2,809	2,398
Related party payable – The Scots Church General Fund	9,864	14,370
	<u>12,673</u>	<u>16,768</u>

8. Provisions

Employee benefits	18,550	31,504
	<u>18,550</u>	<u>31,504</u>

The provision for employee benefits represents annual leave and vested long service leave entitlements accrued.

The Scots' Church Building, Maintenance & Improvements Fund

Notes to the financial statements

	2021	2020
	\$	\$
9. Asset revaluation reserve		
Balance at the beginning of the year	1,405,350	1,404,264
Revaluations during the year	1,238	1,086
Balance at the end of the year	<u>1,406,588</u>	<u>1,405,350</u>

The asset revaluation reserve records the revaluation of the Organ to a valuation in accordance with an independent valuation. The valuation as provided by Rieger – Orgelbau GmbH confirmed the carrying value continues to reflect the fair value of the Organ Rieger Orgelbau as at 30 June 2021.

10. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

JB Were Cash Management Trust	540,510	644,459
Cash at bank	77,150	96,220
	<u>617,660</u>	<u>740,679</u>

(b) Reconciliation of surplus for the year to net cash flows from operating activities

Surplus for the year	94,126	176,978
Depreciation	33,131	38,988

Movement in working capital:

(Increase)/decrease in assets:

Trade and other receivables	2,964	(2,382)
The Scots' Church Properties Trust	294,753	(47,027)

Increase/(decrease) in liabilities:

Employee benefit provisions	(43,898)	16,795
The Scots' Church General Fund	(4,506)	(29,290)
Trade and other payables	411	(63,244)
Net cash provided by operating activities	<u>376,981</u>	<u>90,818</u>

The Scots' Church Building, Maintenance & Improvements Fund

Notes to the financial statements

2021
\$

2020
\$

11. Commitments and contingent assets

There were no commitments or contingent liabilities at 30 June 2021.

The entity has provided a letter of support to enable The Scots' Church General Fund to be able to pay its debts as and when they fall due for a period of 12 months from the signing of The Scots' Church General Fund financial statements.

12. Auditor's remuneration

Audit of the financial statements

14,867

15,621

14,867

15,621

The auditor of the Building, Maintenance & Improvements Fund is Deloitte Touche Tohmatsu.

13. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the fund, the results of those operations, or the state of affairs of the fund in future financial years.

The Scots' Church Investment & Special Purposes Fund

**Annual report for the
financial year ended 30 June 2021**

Special purpose financial report for the financial year ended 30 June 2021

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Board of Management's report

The Board of Management of The Scots' Church Melbourne ("The Scots' Church") submit the annual report of The Scots' Church Investment & Special Purposes Fund ("the Investment & Special Purposes Fund") for the financial year ended 30 June 2021.

The names of the Church's Board of Management during or since the end of the financial year are:

Ruling Elders

Miss Dorothy Anstee	1983 - present	Mr Andrew McDonald	2014 - present
Dr Charles C Castle	1987 - present	Mr Craig McIntosh	2005 - present
Mr Dennis Conradi	2005 - present	Mr Graham Nixon	1993 - present
Mr Bruce C Evans	1993 - present	Mr James F Nuske	2005 - present
Mr David Gibb	2014 - present	Dr Sol Sahhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mrs Helen A Holman	1983 - present	Mr Gordon Taylor	1987 - present
Mr Paul Keress	2007 - present	Mrs Lois Taylor	1993 - present
Mr Barry Kilmartin	2003 - present	Mr Wayne Truong	2014 - present
Mr Robert Lowe	2003 - present	Professor Sen Sendjaya	2010 - present

Teaching Elders

Rev Phil Campbell	2021 - present	Rev Douglas Robertson	2001 - 2020
Rev Philip Court	2020 - present	Rev Christian Tirtha	Indonesian Church
Rev Richard O'Brien	2003 - 2021	Rev Andrew Wong	St Stephens and Mission

Managers

Dr Caroline Allinson	2018 - present	Mrs Margaret E Lowe	2016 - present
Ms Lillian Chuah	2009 - 2020	Miss Lauris Murnane	2010 - present
Ms Elizabeth Charles	2017 - 2020	Ms Barbara Noisette	2017 - 2020
Mrs Margaret Conradi	2005 - present	Mr Joel Purushotta	2021 - Present
Mr Nader Hanna	2017 - present	Ms Jennifer Pilgrim	2009 - present
Mr Sonal Herlekar	2020 - Present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Mrs Judith Kilmartin	1993 - present	Mrs Jodie Tregale	2007 - present
Dr Elizabeth Lewis AM	2010 - present		

Session Clerk

Mr Peter Armstong	2018 - 2020	Ms Rosalie Strother	2020 -present
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Deputy Session Clerk

Dr Rosemary Feathers	2021 - present
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Honorary Secretary

Dr Douglas Sherman	1997 – present
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Honorary Treasurer

Mr James Nuske	1997 - 2020	Mr Sebert Ruddock	2020 - present
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Principal activities

The principal activities of the Investment & Special Purposes Fund during the financial year were the investment and maintenance of bequests and endowments to The Scots' Church. No significant change in the nature of these activities occurred during the financial year.

Board of Managements' report (cont'd)

Review of operations

The results of the operations of the Investment & Special Purposes Fund are disclosed in the statement of comprehensive income of these financial statements. The surplus for the financial year is \$312,763 (2020 Deficit: \$229,311).

Changes in state of affairs

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries have caused disruption to businesses and economic activity and this still has continuing effect on the economic activities due to a series of lockdowns.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Board of Management considered that the financial effects of COVID-19 on the General Fund financial statements cannot be reasonably estimated for future financial periods. However, the Board of Management consider that the general economic impacts arising from COVID-19 are expected to have a negative impact on certain sections of the operations. It is likely to impact on certain market segments for the Fund's related entities. The economic effects arising from the COVID-19 outbreak are expected to affect the results of the General fund for the full year of 2022.

Environmental regulations

The Investment & Special Purposes Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Distributions

In respect of the financial year ended 30 June 2021, no distributions were paid from the Investment & Special Purposes Fund (2020: \$Nil).

Indemnification of officers and auditors

During or since the financial year the Investment & Special Purposes Fund has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Investment & Special Purposes Fund or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Investment & Special Purposes Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Proceedings on behalf of the Investment & Special Purposes Fund

No person has applied to leave of court to bring proceedings on behalf of the Investment and Special Purposes Fund or intervene in any proceedings to which the Investment and Special Purposes Fund is a party for the purpose of taking responsibility on behalf of the Investment and Special Purposes Fund for all or any part of those proceedings. The Investment and Special Purposes Fund was not a party to any such proceedings during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Investment & Special Purposes Fund, the results of those operations, or the state of affairs of the Investment & Special Purposes Fund in future financial years.

Signed in accordance with a resolution of the Board of Management

On behalf of the Board



Seben Ruddick
Honorary Treasurer

Melbourne, 22 September 2021

Independent Auditor's Report to the Board of Management of The Scots' Church Investment and Special Purposes Fund

Opinion

We have audited the financial report, being a special purpose financial report, of The Scots' Church Investment and Special Purposes Fund (the "Entity"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration statement by the Board of Management as set out on pages 6 to 18.

In our opinion the accompanying financial report presents fairly in all material respects the Entity's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting requirements of the Board of Management of entity and the accounting policies described in note 3.

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 Board of Management of Scots' Church and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 and Restriction on Distribution and Use

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board of Management to meet the financial reporting requirements of the Board of Management. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board of Management and should not be distributed or used by parties other than the Board of Management. Our opinion is not modified in respect of this matter.

Other Information

The Board of Management is responsible for the other information. The other information comprises the board of management report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Management for the Financial Report

Management of the entity is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 3, is appropriate to meet the financial reporting requirements of the board of management and is appropriate to meet the needs of the board of management. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the 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 ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Board of Management 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Deloitte.

- 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 the Board of Management and management 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 22 September 2021

Board of Managements' declaration

As detailed in Note 3 to the financial statements, The Investment & Special Purposes Fund is not a reporting entity because in the opinion of the Board of Management ("the Board") 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 to satisfy the Board's reporting requirements.

The Board of Management declares that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the Investment & Special Purposes fund will be able to pay its debts as and when they become due and payable; and
- (b) in the Board's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and give a true and fair view of the financial position and performance of the Investment & Special Purposes Fund.

Signed in accordance with a resolution of the Board of Management,

On behalf of the Board



Seburt Ruddock
Honorary Treasurer

Melbourne, 22 September 2021

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
Income			
Dividend income		88,309	112,622
Unrealised gain on revaluation of financial assets		387,869	-
Interest income		10,310	16,492
		<u>486,488</u>	<u>129,114</u>
Expenses			
Brokerage		(18,432)	(17,513)
Loss on disposal of financial assets		-	(7,744)
Scholarship expenses (Indigenous students at Presbyterian Ladies College)		(51,515)	(59,199)
Unrealised loss on revaluation of financial assets		-	(209,489)
Donations		(58,500)	(38,000)
Other expenses		(45,278)	(26,480)
		<u>(173,725)</u>	<u>(358,425)</u>
Surplus/(deficit) before tax		312,763	(229,311)
Income tax expense	3(g)	-	-
Surplus/(deficit) for the year		<u>312,763</u>	<u>(229,311)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>312,763</u>	<u>(229,311)</u>

The accompanying notes form part of these financial statements.

Statement of financial position at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	8(a)	12,842	106,867
Trade and other receivables	4	31,425	23,990
Total current assets		<u>44,267</u>	<u>130,857</u>
Non-current assets			
Investments	5	<u>2,729,181</u>	<u>2,318,947</u>
Total non-current assets		<u>2,729,181</u>	<u>2,318,947</u>
Total assets		<u>2,773,448</u>	<u>2,449,804</u>
Current liabilities			
Trade and other payables	6	<u>26,809</u>	<u>15,928</u>
Total current liabilities		<u>26,809</u>	<u>15,928</u>
Total liabilities		<u>26,809</u>	<u>15,928</u>
Net assets		<u>2,746,639</u>	<u>2,433,876</u>
Equity			
Accumulated funds	7	<u>2,746,639</u>	<u>2,433,876</u>
Total equity		<u>2,746,639</u>	<u>2,433,876</u>

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2021

	Accumulated funds \$	Total \$
	<hr/>	<hr/>
Balance at 1 July 2019	2,663,187	2,663,187
Deficit for the year	(229,311)	(229,311)
Total comprehensive loss for the year	<hr/> (229,311)	<hr/> (229,311)
Balance at 30 June 2020	<hr/> 2,433,876	<hr/> 2,433,876
Balance at 1 July 2020	2,433,876	2,433,876
Surplus for the year	312,763	312,763
Other comprehensive income	-	-
Total comprehensive income for the year	<hr/> 312,763	<hr/> 312,763
Balance at 30 June 2021	<hr/> 2,746,639	<hr/> 2,746,639

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Cash flows from operating activities			
Dividend income (including imputation credits received)		80,875	143,383
Payments to suppliers		(162,844)	(149,503)
Interest received		10,310	16,492
Net cash (used in)/generated by operating activities	7(b)	<u>(71,659)</u>	<u>10,372</u>
Cash flows from investing activities			
Net proceeds to purchase investments		<u>(22,366)</u>	<u>(178,624)</u>
Net cash used in investing activities		<u>(22,366)</u>	<u>(178,624)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(94,025)	(168,252)
Cash and cash equivalents at the beginning of the year		<u>106,867</u>	<u>275,119</u>
Cash and cash equivalents at the end of the year	7(a)	<u>12,842</u>	<u>106,867</u>

The accompanying notes form part of these financial statements.

1. General information

The Scots' Church Investment & Special Purposes Fund's ("the Investment & Special Purposes Fund") registered office and principal place of business are as follows:

The Scots' Church Melbourne
1/156 Collins Street
MELBOURNE VIC 3000

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Investment & Special Purpose Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

The following pronouncement is relevant for the annual reporting period for not-for-profit (NFP) entities preparing special purpose financial statements:

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*

AASB 2019-4 introduces additional disclosures in special purpose financial statements on the compliance with recognition and measurement requirements and is mandatorily effective for the current period (ie for the year ending 30 June 2021) for NFP entities.

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Fund has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There was no material impact to the financial statements as a result of the adoption of these standards.

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the Investment & Special Purposes fund has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 1060 – <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i>	1 July 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.</i>	1 July 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 2023

The Board of Management of the Investment & Special Purposes Fund has not fully assess the impact of the above standards that are not effective that apply in respect of financial year ending 30 June 2021 and after this date, but do not anticipate that the impact will be material to the financial statements

3. Significant accounting policies

Financial reporting framework

The Investment & Special Purposes Fund is not a reporting entity because in the opinion of the Board of Management 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 to satisfy the Board of Management's reporting requirements. For the purpose of this financial report the Investment & Special Purposes Fund is a not for profit entity.

Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Investment & Special Purposes Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. Significant accounting policies (cont'd)

Application of the consolidation and equity accounting requirements

The Investment & Special Purposes Fund has no investments in subsidiaries or investments in Associates and Joint Ventures.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Investment & Special Purposes Fund's accounting policies, which are described below, the Board of Management are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Any estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No key judgments have been made within the report and assumptions have been made concerning the future and there are no other key sources of estimation at the balance date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income

The Investment & Special Purposes Fund applies AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the income recognition requirements in AASB 1058 is when a NFP the Investment & Special Purposes Fund enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Investment & Special Purposes Fund to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the Investment & Special Purposes Fund satisfies a performance obligation.

AASB 15 establishes a single comprehensive model for entities to use in accounting for income arising from contracts with customers.

The Investment & Special Purposes Fund recognises income from the following major sources:

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive the payment has been established.

3. Significant accounting policies (cont'd)

(a) Income (cont'd)

Investment trust distributions

Distribution income from the trusts is recognised when the unitholders' rights to receive the payment has been established.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks.

(c) Financial assets and Liabilities

Financial assets and financial liabilities are recognised when the Investment & Special Purposes Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Investment & Special Purposes Fund's financial assets include trade receivables, investment, loans and other receivables and are recorded at amortised cost less impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of

the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3. Significant accounting policies (cont'd)

(c) Financial assets and Liabilities

Impairment of financial assets

The Investment & Special Purposes Fund recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Investment & Special Purposes Fund always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Investment & Special Purposes Fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. During 2021, no impairment of trade receivables has been recorded (2020: nil).

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Investment & Special Purposes Fund's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Investment & Special Purposes Fund in accordance with the contract and all the cash flows that the Investment & Special Purposes Fund expects to receive, discounted at the original effective interest rate.

If the Investment & Special Purposes Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Investment & Special Purposes Fund measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Investment & Special Purposes Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Investment & Special Purposes Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Investment & Special Purposes Fund. If the Investment & Special Purposes Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Investment & Special Purposes Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Investment & Special Purposes Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Investment & Special Purposes Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities, including trade payables and related party payable are recognised when the Building, Maintenance & Improvements Fund becomes obliged to make future payments resulting from the purchase of goods and services. These are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

3. Significant accounting policies (cont'd)

(c) Financial assets and Liabilities

Derecognition

The Investment & Special Purposes Fund derecognises financial liabilities when, and only when, the Investment & Special Purposes Fund's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) Investments

Investments are recognised when the Investment and Special Purpose Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframe established by marketplace convention.

Investments are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Church no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Investments are classified at fair value through profit or loss. Realised and unrealised gains and losses arising from changes in fair value are included in surplus or deficit in the period in which they arise. Fair value is determined based on current bid prices for all quoted investments. The fair value of investments in managed investment schemes is determined as the redemption price of the investment scheme as established by the underlying scheme's Responsible Investment & Special Purposes Fund at the reporting date.

(e) Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired only where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectable trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.

(f) Income tax

The Investment & Special Purposes Fund is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(g) Goods and Services Tax (GST)

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.

	2021	2020
	<u>\$</u>	<u>\$</u>
4. Trade and other receivables		
Trade receivables	1,131	2,897
Other receivables	30,294	21,093
	<u>31,425</u>	<u>23,990</u>
5. Investments		
Listed equities	1,963,015	2,064,520
Fixed interest securities	766,166	254,427
	<u>2,729,181</u>	<u>2,318,947</u>
6. Trade and other payables		
Trade payables	639	-
Related party payable – The Scots’ Church General Fund	26,170	15,928
	<u>26,809</u>	<u>15,928</u>
7. Cash and cash equivalents		
(a) Reconciliation of cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:		
JB Were Securities Trust	12,842	106,867
	<u>12,842</u>	<u>106,867</u>
(b) Reconciliation of surplus/(deficit) for the year to net cash flows from operating activities		
Surplus/(deficit) for the year	312,763	(229,311)
Net realised loss on disposal of investments	-	7,744
Unrealised loss /(gain) on revaluation of financial assets	(387,869)	209,489
Movement in working capital:		
Decrease/(increase) in assets:		
Trade and other receivables	(7,434)	30,761
(Decrease)/increase in liabilities:		
Trade and other payables	10,881	(8,311)
Net cash (used in)/generated by operating activities	<u>(71,659)</u>	<u>10,372</u>

2021	2020
\$	\$

8. Commitments and contingencies

There were no commitments or contingent liabilities at 30 June 2021.

9. Auditor's remuneration

Audit of the financial statements	15,609	15,207
	15,609	15,207

The auditor of The Scots' Church Investment & Special Purposes Fund is Deloitte Touche Tohmatsu.

10. Subsequent events

There has not been any matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the entity in future financial years.

The Scots' Church – Indonesian Christian Church

**Special purpose financial report for the
financial year ended 31 December 2020**

Special purpose financial report for the year ended 31 December 2020

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Independent Auditor's Report to the Board of Management of The Scots' Church – Indonesian Christian Church

Qualified Opinion

We have audited the financial report, being a special purpose financial report, of The Scots' Church – Indonesian Christian Church (the "Entity"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and statement of comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration statement by the Board of Management.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial report of the Entity presents fairly, in all material respects the Entity's financial position as at 31 December 2020 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Board of Management and the accounting policies described in Note 2.

Basis for Qualified Opinion

Offering and tithe collections and camp fees are significant sources of fundraising revenue for the Entity. The Entity has determined that it is impracticable to establish control over the collections of offering and tithe and camp fees prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from these sources was limited, our audit procedures with respect to offering and tithe collections and camp fee fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether offering and tithe collections and camp fees fundraising revenue of the Entity recorded, is complete.

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 Board of Management of Scots' Church and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 qualified opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Board of Management to meet the financial reporting requirements of the Board of Management. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board of Management and should not be distributed or used by parties other than the Board of Management. Our opinion is not further modified in respect of this matter.

Other Information

The Board of Management are responsible for the other information. The other information comprises the board of management report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Management for the Financial Report

Management of the Entity is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation and accounting policies described in Note 2 to the financial report, is appropriate to meet the Board of Management's financial reporting requirements and is appropriate to meet the needs of the Board of Management. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the 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 ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Board of Management are 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 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 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 the 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 Management and the Board of Management 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 22 September 2021

Board of Managements' declaration

As detailed in Note 2 to the financial statements, The Scots' Church - Indonesian Christian Church is not a reporting entity because in the opinion of the Board of Management ("the Board") 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 to satisfy the Board's reporting requirements.

The Board Members declare that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the Indonesian Christian Church will be able to pay its debts as and when they become due and payable; and
- (b) in the Board's opinion, the attached financial statements and notes thereto are in accordance with Note 2 and give a true and fair view of the financial position and performance of the Indonesian Christian Church.

Signed in accordance with a resolution of the board,

On behalf of the Board



Sebert Ruddock
Honorary Treasurer

Melbourne, 22 September 2021

Income and expenditure statement for the year ended 31 December 2020

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
Continuing operations			
Revenue	3	134,727	165,008
Administration costs		(28,907)	(37,076)
Camp expenses		(79)	(25,994)
Remuneration		<u>(86,115)</u>	<u>(85,322)</u>
Surplus before tax		19,626	16,616
Income tax expense	2(a)	<u>-</u>	<u>-</u>
Net surplus for the year		<u>19,626</u>	<u>16,616</u>

The accompanying notes form part of these financial statements.

Statement of financial position at 31 December 2020

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
Current assets			
Cash and cash equivalents	4	269,812	250,186
Total current assets		<u>269,812</u>	<u>250,186</u>
Total assets		<u>269,812</u>	<u>250,186</u>
Current liabilities			
Trade payables		56	56
Total current liabilities		<u>56</u>	<u>56</u>
Total liabilities		<u>56</u>	<u>56</u>
Net assets		<u>269,756</u>	<u>250,130</u>
Equity			
Retained earnings		269,756	250,130
Total equity		<u>269,756</u>	<u>250,130</u>

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2020

	Retained Earnings \$	Total \$
Balance at 1 January 2019	233,514	233,514
Surplus for the year	<u>16,616</u>	<u>16,616</u>
Total comprehensive loss for the year	<u>250,130</u>	<u>250,130</u>
Balance at 31 December 2019	<u>250,130</u>	<u>250,130</u>
Balance at 1 January 2020	250,130	250,130
Surplus for the year	<u>19,626</u>	<u>19,626</u>
Total comprehensive income for the year	<u>19,626</u>	<u>19,626</u>
Balance at 31 December 2020	<u>269,756</u>	<u>269,756</u>

The accompanying notes form part of these financial statements.

1. General information

The Scots' Church – Indonesian Christian Church's registered office and principal place of business are as follows:

Scots' Church – Indonesian Christian Church
1/156 Collins Street
MELBOURNE VIC 3000

2. Significant accounting policies

Financial reporting framework

The Indonesian Christian Church is not a reporting entity because in the opinion of the Board there are unlikely to exist users of the financial report who are unable to command the preparation of report tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Board's reporting requirements.

For the purpose of preparing the financial statements, the Indonesian Christian Church is a not for-profit entity.

Basis of preparation

The financial statements have been prepared on a cash basis. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income tax

The Indonesian Christian Church is exempt for income tax purposes.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Revenue

Revenue is recognised when received.

(d) Remuneration

Remuneration expense represents a recharge from The Scots' Church General Fund for the services of a Minister.

The Scots' Church – Indonesian Christian Church
Notes to the financial statements

	2020	2019
	\$	\$
3. Revenue		
Offering and tithe	126,050	143,287
Camp fees	500	17,950
Interest received	170	576
COVID 19 Government support	5,400	-
Other income	2,607	3,195
	134,727	165,008
4. Cash and cash equivalents		
Cash at bank	269,812	250,186

5. Subsequent events

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity and this still has continuing effect on the economic activities due to series of lockdown.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Board of Management considered that the financial effects of COVID-19 on the Fund's financial statements cannot be reasonably estimated for future financial periods. However, the Board of Management consider that the general economic impacts arising from COVID-19 are expected to have a negative impact on certain sections of the operations. It is likely to impact on certain market segments for the Fund's related entities. The economic effects arising from the COVID-19 outbreak are expected to affect the results of the fund for the full year of 2021.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

**Scots' Church Board of Management 63% interest
in Assembly Hall**

ACN 618 924 155

**Annual report for the
financial year ended 30 June 2021**

Special purpose financial report for the financial year ended 30 June 2021

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Trustees' report

The Directors of the trustee company (The Scots Church Board of Management Limited) of Scots' Church Board of Management 63% interest in Assembly Hall ("Trust") submit herewith the annual report of the Scots' Church Board of Management 63% interest in Assembly Hall for the financial year 30 June 2021. In order to comply with the trustees' reporting requirements, the directors of the corporate trustee report as follows:

The names of the Directors of the trust during or since the end of the financial year are:

Mr Craig McIntosh	2017 – present
Mr Graham Nixon	2017 – present
Dr Solomon Sahhar	2017 – present

The above named Directors held office during and since the end of the financial year unless otherwise stated.

Principal activities

The principal activities of the Trust during the financial year was the management of land and buildings. No significant change in the nature of these activities occurred during the financial year.

Review of operations

The results of the operations of the trust are disclosed in the statement of comprehensive income of these financial statements. The deficit for the financial year was \$1,886,240 (2020: \$88,998).

Changes in state of affairs

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity and this still has continuing effect on the economic activities due to the series of lockdowns.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Board of Management considered that the financial effects of COVID-19 on the Trust's financial statements cannot be reasonably estimated for future financial periods. However, the Directors of the trustee company consider that the general economic impacts arising from COVID-19 are expected to have a negative impact on certain sections of the operations. The economic effects arising from the COVID-19 outbreak are expected to affect the results of the Trust for the full year of 2022.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the trust, the results of those operations, or the state of affairs of the trust in future financial years.

Trustees' report (cont'd)

Future developments

Disclosures of information regarding likely developments in the operations of the trust in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the trust. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The trust's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Indemnification of officers and auditors

With the exception of a professional liability insurance policy taken out, during or since the financial year the Directors have not indemnified or made a relevant agreement to indemnify an officer or auditor of the trust or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Directors have not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Proceedings on behalf of the Board of Management

No person has applied to leave of court to bring proceedings on behalf of the trust or intervene in any proceedings to which the trust is a party for the purpose of taking responsibility on behalf of the trust for all or any part of those proceedings. The trust was not a party to any such proceedings during the financial year.

Signed in accordance with a resolution of the Directors of the Corporate Trustee.



Mr Craig McIntosh
Director of the Corporate Trustee
Melbourne, 14th October 2021

Independent Auditor's Report to the Trustees of Scots' Church Board of Management 63% interest in Assembly Hall

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Scots' Church Board of Management 63% interest in Assembly Hall (the "Trust") which comprises the statement of financial position as at 30 June 2021, 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 other explanatory information, and the declaration by the Board of Directors of the Trustee Company as set out on pages 6 to 18.

In our opinion, the financial report of the Trust is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 3, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 and Restriction on Distribution and Use

We draw attention to Note 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the directors' financial reporting responsibilities under the ACNC Act. Our report is intended solely for the Directors and the Australian Charities and Not for Profits Commission (ACNC) and should not be distributed or used by parties other than the Directors and ACNC. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors of the Trustee Company are responsible for the other information. The other information comprises the Trustees' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Trustee Company for the Financial Report

The Board of Directors of the Trustee Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation and accounting policies described in Note 3 to the financial report is appropriate to meet the requirements of the Trust deed, the ACNC Act and is appropriate to meet the needs of the Trustee. The Directors of the Trustee Company's responsibility also includes such internal control as the Directors of the Trustee company determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Trustee Company are responsible for assessing the ability of the Trust 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 of the Trustee Company either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. The Directors are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

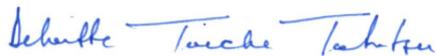
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 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 trust'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 trust'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 trust'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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of Trustee Company 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner

Chartered Accountants
Melbourne, 14 October 2021

Trustee' declaration

As detailed in Note 3 to the financial statements, Scots' Church Board of Management 63% interest in Assembly Hall is not a reporting entity because in the opinion of the Directors of the trustee company (the Directors), 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 to satisfy the Trustees' reporting requirements.

The Directors' of the trustee company declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that Scots' Church Board of Management 63% interest in Assembly Hall will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with Note 3 and give a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the Directors of the Corporate Trustee.



Mr Craig McIntosh
Director of the Corporate Trustee
Melbourne, 14th October 2021

Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income			
Rental income		207,055	252,528
Other income		5,639	-
		212,694	252,528
Expenses			
Cleaning		31,224	37,252
Insurance		48,766	44,855
Legal		1,464	140
Professional fees		6,405	8,978
Rates and taxes		11,115	9,394
Repairs and maintenance		22,827	27,949
Water and electricity		3,489	3,403
Impairment of Assembly Hall		1,959,359	-
Other expenses	4	14,286	31,559
		2,098,934	163,530
(DEFICIT)/SURPLUS FOR THE YEAR		(1,886,240)	88,998
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(1,886,240)	88,998

The accompanying notes form part of these financial statements.

Statement of financial position at 30 June 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	8(a)	184,791	166,781
Other receivables	5	63,119	20,289
Total current assets		247,910	187,070
Non-current assets			
Property, plant and equipment	6	1,764,000	3,723,359
Total non-current assets		1,764,000	3,723,359
Total assets		2,011,910	3,910,429
Current liabilities			
Trade and other payables	7	9,209	21,488
Total current liabilities		9,209	21,488
Total liabilities		9,209	21,488
Net assets		2,002,701	3,888,941
Trust funds			
Capital reserve		3,723,359	3,723,359
Accumulated (losses)/funds		(1,720,658)	165,582
Total trust funds		2,002,701	3,888,941

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2021

	Accumulated Funds \$	Capital reserve \$	Total \$
Balance at 1 July 2019	76,584	3,723,359	3,799,943
Surplus for the year	88,998	-	88,998
Other comprehensive income	-	-	-
Total comprehensive income for the year	88,998	-	88,998
Balance at 30 June 2020	165,582	3,723,359	3,888,941
Balance at 1 July 2020	165,582	3,723,359	3,888,941
Deficit for the year	(1,886,240)	-	(1,886,240)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(1,886,240)	-	(1,886,240)
Balance at 30 June 2021	(1,720,658)	3,723,359	2,002,701

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2021

	<u>Notes</u>	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Cash flows from operating activities			
Rent received		169,864	239,805
Payments to suppliers		(151,854)	(174,048)
Net cash generated by operating activities	8(b)	<u>18,010</u>	<u>65,757</u>
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		18,010	65,757
Cash and cash equivalents at the beginning of the year		<u>166,781</u>	<u>101,024</u>
Cash and cash equivalents at the end of the year	8(a)	<u>184,791</u>	<u>166,781</u>

The accompanying notes form part of these financial statements.

1. General information

The Scots' Church Board of Management Limited's (the "Trustee Company") registered office and principal place of business are as follows:

The Scots' Church Melbourne
1/156 Collins Street
MELBOURNE VIC 3000

The Trustee Company was incorporated 5 May 2017 and the Trust commenced operations 7 April 2017.

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

The following pronouncement is relevant for the annual reporting period for not-for-profit (NFP) entities preparing special purpose financial statements:

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*

AASB 2019-4 introduces additional disclosures in special purpose financial statements on the compliance with recognition and measurement requirements and is mandatorily effective for the current period (ie for the year ending 30 June 2021) for NFP entities.

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Fund has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There was no material impact to the financial statements as a result of the adoption of these standards.

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the Trust has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 1060 – <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i>	1 July 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.</i>	1 July 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 2023

The Trust has not fully assess the impact of the above standards that are not effective that apply in respect of financial year ending 30 June 2021 and after this date, but do not anticipate that the impact will be material to the financial statements.

3. Significant accounting policies

Financial reporting framework

The Entity is not a reporting entity because in the opinion of the Directors, 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 to satisfy the Director's financial reporting requirements. For the purpose of the financial report the trust is a not for profit entity.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, which are described below, the management is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements concern depreciation rates. These are reviewed annually to ensure that assets are being appropriately depreciated. No key assumptions have been made concerning the future and there are no other key sources of estimation at the balance date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Significant accounting policies

Application of the consolidation and equity accounting requirements

The Trust has no investments in subsidiaries or investments in Associates and Joint Ventures.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income

The Trust applies AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Trust to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Under AASB 15, a trust recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the Trust satisfies a performance obligation.

AASB 15 establishes a single comprehensive model for entities to use in accounting for income arising from contracts with customers.

The Trust recognises income from the following major source:

Rent received

Revenue from rental properties is recognised based upon the amount that has been invoiced and collected.

(b) Expenses

Expenses in the year in which they are incurred.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts and credit cards.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Trust's financial assets include trade receivables and other receivables and are recorded at amortised cost less impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Trust always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities (cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. During 2021, no impairment of trade receivables has been recorded (2020: nil).

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Trust in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

If the Trust has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Trust measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Trust recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Trust. If the Trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities, including trade payables and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. These are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition

The Trust derecognises financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting policies (cont'd)

(d) Financial assets and liabilities (cont'd)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Property, plant and equipment

Land and buildings are carried at cost and are classified a heritage asset.

Heritage assets are historical buildings, that do not have limited useful lives, as the Trust adopts appropriate curatorial and preservation policies, and therefore are not subject to depreciation.

(f) Provisions

Provisions are recognised when the trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provisions can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking in to account the risks and the uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(g) Income tax

The Trust is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax (GST)

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

(i) Capital reserve

The reserve represents the value of assets and liabilities acquired by the Trust on date of creation.

Scots' Church Board of Management 63% interest in Assembly Hall
Notes to the financial statements

	2021	2020
	\$	\$
4. Other expense		
Management fees	4,655	4,650
Lighting, heating and water	9,572	9,921
Rental income forgiveness	-	10,217
Bad and doubtful debts expense	-	5,639
Miscellaneous	58	1,132
	14,285	31,559
5. Other receivables		
Other receivables	63,119	25,928
Less provision for impairment	-	(5,639)
	63,119	20,289
6. Property, plant and equipment		
Assembly Hall, heritage asset	3,723,359	3,723,359
Provision for impairment Assembly Hall	(1,959,359)	
Total property, plant and equipment	1,764,000	3,723,359

The directors of the Trustee have considered an independent valuation conducted by Urbis dated 11 February 2021 based upon current use in determining the carrying value of the Assembly Hall. The valuation noted a significant remediation relating to the external sand-stone walls which has led to the impairment in value.

7. Trade and other payables

Current

Trade payables	-	5,016
GST payable	9,209	8,030
Accrued expenses – other	-	8,442
	9,209	21,488

8. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	184,790	166,781
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Scots' Church Board of Management 63% interest in Assembly Hall
Notes to the financial statements

	2021	2020
	\$	\$
(b) Reconciliation of (deficit)/surplus for the period to net cash flows from operating activities		
(Deficit)/surplus for the year	(1,886,240)	88,998
Non cash items within (deficit)/surplus		
Provision for impairment	1,959,359	-
Movement in working capital:		
(Increase)/ decrease in assets:		
Other receivables	(42,830)	(12,723)
Increase/(decrease) in liabilities:		
Trade and other payables	(12,279)	(10,518)
Net cash generated by operating activities	18,010	65,757
9. Auditor's remuneration		
Audit of the financial statements	11,150	12,800
	11,150	12,800

The auditor of The Scots' Church Board of Management 63% interest in Assembly Hall is Deloitte Touche Tohmatsu. The audit fee is paid by The Scots' Church General Fund.

10. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

THE SCOTS' CHURCH PROPERTIES TRUST
A.B.N. 89 115 098 913

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED
30 JUNE 2021

THE SCOTS' CHURCH PROPERTIES TRUST
A.B.N. 89 115 098 913

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THE SCOTS' CHURCH PROPERTIES TRUST
A.B.N. 89 115 098 913
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021
		\$
Receipts		
150 Collins Street Council Rates		606,012
150 Collins Street Rental Income		1,797,606
150 Collins Street Land Tax		411,931
150 Collins Street Legal Fees		7,379
150 Collins Street Water Rates		53,600
Bank Interest		770
162 Collins Street PPP Property Services - Annual Outgoings		546,929
162 Collins Street PPP Property Services – Rent Income		1,204,515
Georges Legal Fees		2,880
Georges Sundry Income		1,095
Georges Water Rates		44
Good and Services Tax Net		36,559
Total Receipts		4,669,320
Payments		
150 Collins Street Council Rates Expense		1,004,211
150 Collins Street Fire Protection		178
150 Collins Street Land Tax Expense		411,931
150 Collins Street Management Fee		74,388
150 Collins Street Trade Waste		82
150 Collins Street Water Rates Expense		47,130
Administration and Accounting Fees		38,708
Allocation for Congregational Charge	2	148,209
Allocation for Stipend Scots' Ministers	2	148,209
Audit Fees		10,250
Bank Fees		927
Georges Council Rates Expenses		135,590
Georges Essential Services Expenses		9,779
Georges Facility Management Fees		14,939
Georges Land Tax Expense		180,514
Georges Legal Fees Expenses		10,690
Georges Management Fees		49,059
Georges Professional Fees Expenses		18,400
Georges Repairs and Maintenance		13,587
Georges Statement Fees		80
Georges Waste		83
Georges Water Rates		29,575
Insurance - Directors and Office Bearers		50,887
Insurance - Public/Products Liability/ISR		402,175
Legal Expenses		6,656
Maintenance Georges		332,831
Miscellaneous Expenses		1,850
Total Payments		3,140,918
Total Receipts less Total Payments		1,528,402

THE SCOTS' CHURCH PROPERTIES TRUST
A.B.N. 89 115 098 913
DISTRIBUTION STATEMENT
AS AT 30 JUNE 2021

	NOTE	2021 \$
2020/21 Rental Commission payable to Presbyterian Church of Victoria Trust Corp pursuant to Clause 4 of the Trust Deed		
Rental income 2020/21 for Georges & 150 Collins St		3,002,121
Less Management fees/collection costs		123,447
Total rental income 2020/21 less management fees/collection costs		2,878,674
2.5% of rental income less management fees/collection costs		71,967
Total Receipts less Total Payments		1,528,402
Less 2.5% Rental Commission		71,967
Available for Distribution		1,456,435
Distributions payable pursuant to sixthly provision of Clause 7 of the Trust Deed		
a. The Scots' Church Building, Maintenance & Improvements Fund		728,217
b. Presbyterian Church of Victoria Trust Corporation		728,217
Total Distributions Payable		1,456,435

THE SCOTS' CHURCH PROPERTIES TRUST

A.B.N. 89 115 098 913

NOTES TO THE STATEMENT

1. Basis of preparation

The Statement of Receipts and Payments of The Trustees of The Scots' Church Properties Trust has been prepared in accordance with Clause 8 of the Trust Deed and is based on the following:

The Statement of Receipts and Payments has been prepared on a cash basis.

All receipts and payments identified are exclusive of Goods and Services Tax (GST) where applicable.

Amounts have been rounded to the nearest whole dollar.

Comparative amounts are not included in this Statement.

The distributions made in the year are separately detailed in Note 3.

2. Allocation for Stipend of the Minister & Collegiate Charge

Payment of Stipend of the Minister & Collegiate Charge pursuant to Clause 7 of the Trust Deed. Based on 2010 calculations supplied by Deloitte of the current equivalent value of 1,000 Australian Pounds in 1891 based on the Australian price indexation systems.

3. Distributions made in 2020/21 relating to 2019/20

Presbyterian Church of Victoria Trusts Corporation Rental Commission	\$ 57,701
Distribution to The Scots' Church Building, Maintenance & Improvements Fund	\$ 1,022,972
Distribution to the Presbyterian Church of Victoria Trust Corporation	<u>\$ 1,022,972</u>
Total Distributions Paid	<u>\$ 2,103,645</u>

THE SCOTS' CHURCH PROPERTIES TRUST

A.B.N. 89 115 098 913

TRUSTEES' DECLARATION

The Trustees' declare that the Statement of Receipts and Payments has been prepared in accordance with Note 1 to the Statement.

Signed in accordance with a resolution of the Trustees.

On behalf of the Trustees.

A handwritten signature in blue ink, appearing to read 'P. O. Gault', is written over the text 'On behalf of the Trustees.'

Dated this 24th day of August 2021

THE SCOTS' CHURCH PROPERTIES TRUST

A.B.N. 89 115 098 913

TRUSTEES' REPORT

The ongoing effects of the COVID-19 Pandemic during the financial year ended 30th June 2021 have continued to impact the SCPT, like all commercial landlords the severe affect of lockdowns and government mandated rent relief for commercial tenants has resulted in drastically reduced income especially from the Georges Building.

In addition to this a considerable sum had to be expended on the Georges Building to upgrade the Smoke Handling Management System to meet the new code requirements, all of which have severely reduced the net surplus of the Trust for the year, the flow on effect of which is reduced distributions to our beneficiaries.

During the year Rae Anstee AM who had been a Trustee since 1997 announced her intention to retire. On behalf of the Trustees, I would like to take this opportunity to express our sincerest thanks to Rae for her 24 years of service to the Trust, the greater part of which was as its chairman

Rae's leadership and dedication to the Trust were seen at their absolute best during the acquisition of the Assembly Hall, its refurbishment and the subsequent legal action which followed, steadfast through it all she never wavered, her knowledge of the Trust will be missed, but she retires knowing that her legacy will continue with the remaining Trustees and in time the appointment of a new Trustee, we wish Rae a very happy well-earned retirement.

If Rae's retirement wasn't enough, Mr Sebert Ruddock the ex officio Secretary of the Trust also announced his retirement, the Trustees would like to express their appreciation to Sebert for all that he has done on behalf of the Trust over the course of his tenure, and of course wish him a happy retirement. Mr Murray Hirst has taken on the position of ex officio Secretary of the Trust.

Paul Kerss
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Scots' Church Properties Trust

Opinion

We have audited the accompanying Statement of Receipts and Payments of the Scots' Church Properties Trust for the year ended 30 June 2021, Notes to the Statement and the Trustees' Declaration (together "the financial statement"). The financial statement has been prepared by the trustees using the basis of preparation described in Note 1.

In our opinion, the financial statement presents fairly, in all material respects, the receipts and payments of the Scots' Church Properties Trust for the year ended 30 June 2021 in accordance with the basis of preparation described in Note 1.

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* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statement 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 Preparation

We draw attention to Note 1 to the financial statement, which describes the basis of preparation. The financial statement has been prepared in accordance with the Trust Deed. As a result, the financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Trustees' Responsibilities for the Financial Statement

The trustees are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Directors

Cheree F Woolcock

Tim M Kelleher

Kevin P Adams

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 statement.

A further description of our responsibilities for the audit of the financial statement is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



DFK BKM Audit Services
Camberwell, Victoria



Director: Kevin P. Adams

Dated this 24th day of August 2021

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

TRUSTEES' REPORT

The Trustees of The Scots' Church Minor Trusts ("the Trust") submit herewith the annual report of the Trust for the financial year ended 30 June 2021.

The Trustees acted for the following Trusts in the financial year ended 30 June 2021:

Name of Trust

The Estate of Allan Woodrow Raymond
The Estate of Angus McCann Fund
The Estate of Edna Holland
The Estate of Elizabeth McIntyre Smith
The Estate of Laurence Frederick L'Estrange
The Estate of Mary Jane Haynes
The Estate of W F Brodbeck
The Holland / Williams Trust
The Jean Kidd Preaching Fund
The John and Matilda Turnbull Trust
The Margaret Hargreaves Trust
The Munro Fund
The Scots' Church Youth Ministry Fund
The Turnbull War Memorial Fund
The William Norvall Trust
The Estate of Ruth Jamieson
The Estate of Emily Wood
The Estate of Ilma Ladner
The Estate Annie Kerr-Smith
The Ella and Trevor Irwin Estate
The Max McLennan Fund
The Rose Hooke Fund
The Estate of Edith Elsie Baldwin
The Miss Ann Robinson Fund
The Estate of Sheila Marion Barr

The names of the Trustees of the Trust during or since the end of the financial year are:

Mr Bruce Evans	2004 - present
Mrs Helen Holman	2004 - present
Mr Paul Kerss	2008 - present
Mr James Nuske	1997 - present
Miss Dorothy R. Anstee	1997 – Dec 2020

The above named Trustees held office during and since the end of the financial year unless otherwise stated.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

TRUSTEES' REPORT (CONT'D)

Principal activities

The principal activities of the Trusts during the financial year were:

The Estate of Allan Woodrow Raymond

For general purposes.

The Estate of Angus McCann Fund

For general purposes.

The Estate of Edna Holland

For general purposes.

The Estate of Elizabeth McIntyre Smith

For general purposes.

The Estate of Laurence Frederick L'Estrange

To supplement The Turnbull War Memorial Fund and for general purposes.

The Estate of Mary Jane Haynes

For general purposes.

The Estate of W F Brodbeck

For the purpose of junior scholarships.

The Holland / Williams Trust

For housing elderly people.

The Jean Kidd Preaching Fund

To supplement The Turnbull War Memorial Fund.

The John and Matilda Turnbull Trust

To enable prominent overseas preachers to occupy the pulpit of The Scots' Church.

The Margaret Hargreaves Trust

To support ministerial education.

The Munro Fund

For religious purposes in Victoria.

The Scots' Church Youth Ministry Fund

For youth ministry.

The Turnbull War Memorial Fund

To enable prominent overseas preachers to occupy the pulpit of The Scots' Church.

The William Norvall Trust

To support the Home Mission work in the State of Victoria.

TRUSTEES' REPORT (CONT'D)

The Estate of Ruth Jamieson
For youth ministry.

The Estate of Emily Wood
For general purposes.

The Ilma Ladner Estate
For general purposes.

The Annie Kerr-Smith Estate
For general purposes.

The Ella and Trevor Irwin Estate
For general purposes.

The Max McLennan Fund
For Anniversary flowers.

The Rose Hooke Fund
For general purposes.

The Estate of Edith Elsie Baldwin
To enable prominent overseas preachers to occupy the pulpit of The Scots' Church.

The Miss Ann Robinson Fund
For Music in the Church.

The Estate of Sheila Marion Barr
For the construction of a small Chapel in the Wool Corner or for the Music of the Church.

There have been no significant changes in the nature of these activities of the Trust during the financial year.

Review of operations

The results of the operations of the Trust are disclosed in the statement of profit or loss and other comprehensive income of these financial statements. The surplus (loss) for the financial year was \$1,003,546 (2020: (\$173,994)).

Changes in state of affairs

There was no significant change in the state of affairs of the Trust during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

TRUSTEES' REPORT (CONT'D)

Future developments

Disclosures of information regarding likely developments in the operations of the Trust in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Trust. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Trust's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of any State or Territory.

Indemnification of officers and auditors

During or since the financial year the Trust has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Trust or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the Trust has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Signed in accordance with a resolution of the Trustees.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Paul Lindsay Keress', with a stylized flourish at the end.

**Mr Paul Lindsay Keress
Chairman
Melbourne, 24 August 2021**

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE SCOTS' CHURCH MINOR TRUSTS

Opinion

We have audited the financial report of The Scots' Church Minor Trusts (the Trust), being a special purpose financial report, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trustees' Declaration.

In our opinion, the financial report of The Scots' Church Minor Trusts is in accordance with the financial reporting requirements of the Trustees as described in Note 3 to the financial report, including:

- giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the year then ended.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees' reporting requirements. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913**

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF SCOTS' CHURCH MINOR TRUSTS**

Responsibilities of the Trustees for the Financial Report

The Trustees of the Trust 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 3 to the financial report is appropriate to meet the reporting requirements of the Trustees. The Trustees' responsibility also includes such internal control as the Trustees determine is 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 Trustees are responsible for assessing the Trust'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 the Trustees either intend to liquidate the Trust 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

**DFK BKM Audit Services
Camberwell, Victoria**

Director: Kevin P. Adams

Dated this 24th day of August 2021

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

TRUSTEES' DECLARATION

As detailed in Note 3 to the financial statements, the Trust is not a reporting entity because in the opinion of the Trustees 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 to satisfy the Trustees' reporting requirements.

The Trustees' declare that:

- (a) in the Trustees' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Trustees' opinion, the attached financial statements and notes thereto are in accordance with Note 3 and give a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the Trustees.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Paul Lindsay Kerse', with a stylized flourish at the end.

Mr Paul Lindsay Kerse
Chairman
Melbourne, 24 August 2021

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Income			
Interest income		1,501	9,594
Dividends received		223,031	235,979
Net realised and unrealised (loss)/gain on investments		893,892	(319,137)
(Loss)/gain on sale of shares		19,277	(6,080)
Other income		-	2,110
		1,137,701	(77,534)
Expenses			
Bank charges		-	(7)
Music expenses		-	(12,820)
Donations	4	(78,116)	(30,000)
Investment expenses		(42,752)	(40,525)
Other expenses		(13,287)	(13,108)
		(134,155)	(96,460)
SURPLUS FOR THE YEAR		1,003,546	(173,994)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,003,546	(173,994)

The accompanying notes form part of these financial statements.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	9(a)	714,063	632,974
Trade and other receivables	5	79,796	67,521
Total current assets		793,859	700,495
Non-current assets			
Other financial assets	6	6,547,992	5,615,615
Property, plant and equipment	7	-	-
Total non-current assets		6,547,992	5,615,615
Total assets		7,341,851	6,316,110
Current liabilities			
Trade and other payables	8	41,842	19,647
Total current liabilities		41,842	19,647
Total liabilities		41,842	19,647
Net assets		7,300,009	6,296,463
Trust funds			
Accumulated funds		7,300,009	6,296,463
Total trust funds		7,300,009	6,296,463

The accompanying notes form part of these financial statements.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated funds
	\$
Balance at 1 July 2019	6,470,457
Loss for the year	(173,994)
Total comprehensive income for the year	(173,994)
Balance at 30 June 2020	6,296,463
Balance at 1 July 2020	6,296,463
Surplus for the year	1,003,546
Total comprehensive income for the year	1,003,546
Balance at 30 June 2021	7,300,009

The accompanying notes form part of these financial statements.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Dividends and other investment income received		197,928	249,915
Interest received		3,377	8,831
Franking credits and withholding tax refunded		10,952	156,548
Payments to suppliers and employees		(111,960)	(99,043)
Net cash generated by operating activities	9(b)	100,297	316,251
Cash flows from investing activities			
Purchases of financial assets		(141,686)	(887,072)
Proceeds from sale of financial assets		122,478	396,092
Net cash generated by/(used in) investing activities		(19,208)	(490,980)
Cash flows from financing activities			
		-	-
Net increase in cash and cash equivalents		81,089	(174,729)
Cash and cash equivalents at the beginning of the year		632,974	807,703
Cash and cash equivalents at the end of the year	9(a)	714,063	632,974

The accompanying notes form part of these financial statements.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The Scots' Church Minor Trusts' registered office and principal place of business are as follows:

- The Scots' Church Melbourne
1/156 Collins Street
MELBOURNE VIC 3000

2. Adoption of new and revised Accounting Standards

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

There have been no new and revised Standards adopted in the current period that have a financial or disclosure impact on the financial statements.

2.2 Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, a number of Standards and Interpretations were in issue but not yet effective. These are not expected to have any significant impact on the financial statements.

3. Significant accounting policies

Financial reporting framework

The Trust is not a reporting entity because in the opinion of the trustees 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, these special purpose financial statements have been prepared to satisfy the Trustees' reporting requirements. For the purposes of this financial report the trust is a not for profit entity.

Statement of compliance

The financial report has been prepared in accordance with the accounting policies set out below, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trusts' accounting policies, which are described below, the Trustees are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are reviewed annually to ensure that assets are being appropriately depreciated. No key assumptions have been made concerning the future and there are no other key sources of estimation at the balance date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income

Dividends and interest income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount in initial recognition.

Bequests

Donations and bequests are recognised upon receipt or unconditional entitlement.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short term deposits with maturities of three months or less.

(c) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL).

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the unrealised gain on revaluation of financial assets line item in profit or loss.

(d) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following depreciation rates are used in the calculation of depreciation:

Equipment	25% straight line
-----------	-------------------

(e) Trade and other payables

Trade payables and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(f) Income tax

The Trust is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(g) Goods and services tax (GST)

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

(h) Comparative amounts

Where the Trust has changed the presentation or classification of items in its financial statements, comparative amounts have also been reclassified unless the reclassification is deemed impracticable.

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
4. Donations		
The Royal Flying Doctor		
Wish Ambulance	-	10,000
Flying Doctor Telehealth	-	10,000
Speech Therapy	5,000	-
Community Transport	5,000	-
	10,000	20,000
Red Cross		
Bushfire Appeal	-	10,000
		10,000
Sponsorship		
Sponsorship of Harrison Sawyer	6,000	-
	6,000	-
Australian National Academy of Music		
Music Scholarship for Oliver Crofts	2,616	-
	2,616	-
St Stephens Flemington		
Rev A Wongs Salary	18,000	-
	18,000	-
Health, Community and Chaplaincy Committee		
Paediatric Chaplaincy of the HCC	11,500	-
	11,500	-
Presbyterian Inland Mission		
Support	10,000	-
	10,000	-
PCV Sinking Fund		
PCV Sinking Fund	20,000	-
	20,000	-
Total Donations	78,116	30,000

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
5. Trade and other receivables		
Franking credits recoverable	41,294	52,246
Other receivables	36,474	3,919
Dividends receivable	2,028	11,356
	79,796	67,521
6. Other Financial Assets		
<i>Financial assets carried at fair value through profit or loss (FVTPL)</i>		
Listed equities	6,547,992	5,615,615
	6,547,992	5,615,615
7. Property plant and equipment		
Equipment – at cost	5,499	5,499
Accumulated depreciation	(5,499)	(5,499)
	-	-
8. Trade and other payables		
Trade payables	18,000	-
Accrued expenses	23,842	19,647
	41,842	19,647
9. Cash and cash equivalents		
(a) Reconciliation of cash and cash equivalents		
Cash at bank	284,259	300,227
Cash trust	160,415	64,749
Short term deposits	269,389	267,998
	714,063	632,974
(b) Reconciliation of surplus/loss for the year to net cash flows from operating activities		
Surplus/(loss) for the year	1,003,546	(173,994)
Net unrealised loss/(gains) on financial assets	(893,892)	319,137
Loss/(gain) on sale of shares	(19,277)	6,080
Movement in working capital:		
(Increase)/decrease in assets:		
Trade and other receivables	(12,275)	167,611
Increase/(decrease) in liabilities:		
Trade and other payables	22,195	(2,583)
Net cash generated by operating activities	100,297	316,251

THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
10. Commitments and Contingencies		
The Trust does not have any material commitments or contingent liabilities as at 30 June 2021.		
11. Auditors remuneration		
Audit of the financial statements	10,262	10,314

The auditor of The Scots' Church Minor Trusts is DFK BKM Audit Services.

12. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SCOTS' CHURCH MINOR TRUSTS

Opinion

We have audited the financial report of The Scots' Church Minor Trusts (the Trust), being a special purpose financial report, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trustees' Declaration.

In our opinion, the financial report of The Scots' Church Minor Trusts is in accordance with the financial reporting requirements of the Trustees as described in Note 3 to the financial report, including:

- giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the year then ended.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 3 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees' reporting requirements. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**THE SCOTS' CHURCH MINOR TRUSTS
A.B.N 89 115 098 913**

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF SCOTS' CHURCH MINOR TRUSTS**

Responsibilities of the Trustees for the Financial Report

The Trustees of the Trust 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 3 to the financial report is appropriate to meet the reporting requirements of the Trustees. The Trustees' responsibility also includes such internal control as the Trustees determine is 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 Trustees are responsible for assessing the Trust'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 the Trustees either intend to liquidate the Trust 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



**DFK BKM Audit Services
Camberwell, Victoria**



Director: Kevin P. Adams

Dated this 24th day of August 2021

Presbyterian & Scots' Church Joint Mission Inc.

Reg No A0026604L

Financial Statements

For the Year Ended 30 June 2021

Presbyterian & Scots' Church Joint Mission Inc.

Reg No. A0026604L

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30 June 2021

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Presbyterian & Scots' Church Joint Mission Inc.

Reg No. A0026604L

Income Statement

For year ended 30 June 2021

	2021	2020
	\$	\$
INCOME		
Annuity	1,000	1,000
Donation/Gift Income	17,460	25,935
Bank Interest	1	4,194
Accrued Interest from Funds held in Trust	0	4,450
Interest from Funds held in Trust	1,689	206
Redeemed from Trust Funds	1,000	0
Grant Income	23,000	5,000
Refunds	0	272
TOTAL INCOME	<u>44,150</u>	<u>41,057</u>
EXPENDITURE		
Depreciation Expenses	1,412	202
Auditors Remuneration	800	785
Utilities	322	368
Stipend Contribution	13,760	19,958
General Expenses	17,796	12,420
TOTAL EXPENDITURE	<u>34,090</u>	<u>33,733</u>
SURPLUS/DEFICIT	<u>10,060</u>	<u>7,324</u>
Retained surplus at the beginning of the financial year	<u>244,837</u>	<u>237,513</u>
Retained surplus at the end of the financial year	<u>254,897</u>	<u>244,837</u>

The accompanying notes form part of these financial statements

Presbyterian & Scots' Church Joint Mission Inc.

Reg No. A0026604L

Balance Sheet

As at 30 June 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash & cash equivalents	19,868	28,330
Investments	202,717	202,717
Other receivables	0	0
TOTAL CURRENT ASSETS	<u>222,585</u>	<u>231,047</u>
NON CURRENT ASSETS		
Fixed Assets (Furniture & Office Equipment)	329	470
Fixed Asset (Kitchen Equipment)	7,201	
Building Improvements	24,568	13,668
TOTAL NON-CURRENT ASSETS	<u>32,098</u>	<u>14,138</u>
TOTAL ASSETS	<u>254,683</u>	<u>245,185</u>
LIABILITIES		
Total GST Liabilities	-213	349
TOTAL LIABILITIES	<u>-213</u>	<u>349</u>
MEMBER'S FUNDS		
Accumulated Funds	244,837	237,513
Current Year Surplus	10,060	7,324
TOTAL MEMBER'S FUNDS	<u>254,897</u>	<u>244,837</u>

The accompanying notes form part of these financial statements

Presbyterian & Scots' Church Joint Mission Inc.

Reg No. A0026604L

Funds Held In Trust

For the year ended 30 June 2021

	2021	2020
	\$	\$
McFarlane Fund		
NAB - Fixed Income Bond		
Opening Balance	26,119	29,740
Interest Received	383	1,035
Accrued Interest Transferred to General Account	0	-4,450
Interest Transferred to General Account	245	-206
Closing Balance	<u>26,257</u>	<u>26,119</u>

Each year 35% of interest to be retained in the Fund

Endowment Fund

Commonwealth Bank Term Deposit xxx8631

Opening Balance	10,000	10,000
Interest Received	64	198
Interest Transferred to General Account	-64	-198
Closing Balance	<u>10,000</u>	<u>10,000</u>

Commonwealth Term Deposit xxx8083

Opening Balance	14,799	14,512
Interest Re-investment	88	287
Funds Transferred to General Account	1,000	0
Closing Balance	<u>13,887</u>	<u>14,799</u>

This fund was established with a donation to provide for the purchase of a property for the mission
In February 2015, the Mission Committee approved the use of these funds for renovations to
Mission buildings

Memorial Endowment Fund (held in the General Account)

NAB Cheque Account

Opening Balance	1,540	1,540
Interest Received	0	0
Closing Balance	<u>1,540</u>	<u>1,540</u>

This fund was established with donations in memory of the late Ronald John Reid

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial statements prepared in order satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012. The committee has determined that the not-for-profit Association is not a reporting entity.

The financial report has been prepared on a cash 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.

(b) 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.

(c) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(d) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Presbyterian & Scots' Church Joint Mission Inc.

Reg No. A0026604L

Statement by Members of the Committee

The committee has determined that the Association 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.

In the opinion of the committee the financial report as set out on pages 1 to 4:

1. Presents fairly the financial position of Presbyterian & Scots' Church Joint Mission Inc. as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Presbyterian & Scots' Church Joint Mission 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 committee and is signed for and behalf of the committee by:

Secretary
Rosemary Fethers

Treasurer
Glenys Mary Wright

Dated this^{14th} day of^{September} 2021

MJC Accountancy & BAS Services

ABN 41 848 010 156

5 Twigrush Place

Brookfield Vic 3338

Independent Audit Report to the members of Presbyterian & Scots' Church Joint Mission Inc.

Report on the Financial Report

I have audited the accompanying financial report being a special purpose financial report, of Presbyterian & Scots' Church Joint Mission Inc., which comprises the balance sheet as at 30 June 2021, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Committee Responsibility for the Financial Report

The committee of Presbyterian & Scots' Church Joint Mission Inc. are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1. Is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the officers determine 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 associations' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Consistent with the nature of the revenue of this association, the Committee of Presbyterian & Scots' Church Joint Mission Inc. has determined that it is impractical to establish control over the collection of cash income prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to cash receipts had to be restricted to the amounts recorded in the financial reports. Therefore, I express no opinion on this element of this financial statement.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of Presbyterian & Scots' Church Mission Inc. as at 30 June 2021, and its financial performance for the year then ended in accordance with Australian Accounting Standards and Associations Incorporation Reform Act 2012.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Presbyterian & Scots' Church Joint Mission Inc. to comply with the financial reporting provisions of Associations Incorporation Act 1981 VIC. As a result, the financial report may not be used for any other purpose.



Michael Caruana
CPA 9245138
Principal

18th August 2021

Profit & Loss Statement

July 2020 To June 2021

ABN: 78 971 273 244

Income this Year		
Grant Income		\$23,000.00
Donation/Gift Income		\$17,459.62
Annuity		\$1,000.00
Redeemed from Trust Funds		\$1,000.00
Interest from Trust Account		\$1,689.44
Bank Interest		\$1.55
Total Income this Year		\$44,150.61
Total Cost Of Sales		\$0.00
Gross Profit		\$44,150.61
Expenses this Year		
General Expenses		
Accounting/Bookkeeping Fees	\$800.00	
School Expenses	\$636.36	
Credit card charges	\$1.98	
Support - Pharmacy Expenses	\$165.85	
Food & Supplies	\$11,187.37	
Storage	\$167.91	
Equipment below \$1000	\$2,444.92	
Gas Expenses	\$322.45	
Support - Educational	\$508.18	
General Repairs & Maintenance	\$272.73	
Health & Safety		\$70.38
Pest Control		\$2,340.00
Total General Expenses		\$16,507.75
Payroll Expenses		
Wages & Salaries Expenses	\$13,760.08	
Total Payroll Expenses		\$13,760.08
Depreciation Expenses		
Furniture Depreciation	\$96.00	
Office Equipment Depreciation	\$45.00	
Kitchen Equipment Depreciation	\$1,271.00	
Total Depreciation Expenses		\$1,412.00
Total Expenses this Year		\$34,090.21
Operating Profit		\$10,060.40
Total Other Income		\$0.00
Total Other Expenses		\$0.00
Net Profit/(Loss)		\$10,060.40

This report includes Year-End Adjustments.

Balance Sheet

As of June 2021

ABN: 78 971 273 244

Assets		
Current Assets		
Bank Accounts		
General Account	\$10,842.61	
less Memorial Endow't Fund	-\$1,540.00	
Refugee Family Support	\$3,199.41	
Schools Account	\$2,661.84	
Contingency Account	\$1,654.45	
Petty Cash	\$116.40	
Debit Card M Conradi	\$1,598.25	
Debit Card R Fethers	\$1,335.33	
Total Bank Accounts		\$19,868.29
Term Deposit Accounts		
Term Deposit Acc xxx8091	\$202,717.25	
Total Term Deposit Accounts		\$202,717.25
Total Current Assets		\$222,585.54
Non-Current Assets		
Furniture		
Furniture At Cost	\$655.00	
Accum. Depr. Furniture	-\$430.00	
Total Furniture		\$225.00
Office Equipment		
Office Equipment at WDV	\$304.17	
Accum. Depr. Office Equipment	-\$200.00	
Total Office Equipment		\$104.17
Kitchen Equipment		
Kitchen Equipment At Cost	\$8,471.82	
Accum. Depr. Kitchen Equipment	-\$1,271.00	
Total Kitchen Equipment		\$7,200.82
Buildings		
Building Improvements	\$13,668.18	
Building Improv This Year	\$10,900.00	
Total Buildings		\$24,568.18
Total Non-Current Assets		\$32,098.17
Total Assets		\$254,683.71
Liabilities		
Current Liabilities		
GST Liabilities		
GST Collected	\$1,000.00	
GST Paid	-\$1,213.43	
Total GST Liabilities		-\$213.43
Total Current Liabilities		-\$213.43
Total Liabilities		-\$213.43
Net Assets		\$254,897.14
Member's Funds		
Accumulated Funds		\$244,836.74
Current Year Surplus/(Deficit)		\$10,060.40
Total Member's Funds		\$254,897.14

This report includes Year-End Adjustments.

**The Scots' Church PWMU Financial Statement
Twelve months ended 30th June, 2021**

	2021	2020
ANZ Term Deposits	37,000-00	37,000-00
Commonwealth Bank of Australia Term Deposit	10,000-00	12,000-00
BankFirst	3,339-86	1,475-84
	<hr/>	<hr/>
	50,339-86	50,475-84
 RECEIPTS		
Interest		
ANZ	214-58	731-81
Commonwealth Bank	106-96	247-61
BankFirst	1-76	1-60
Luncheon	-	95-00
Offerings	-	525-00
Membership	-	80-00
Donations	-	313-00
Bequest E F Kennedy	-	2,000-00
Sausage Sizzle	-	500-00
	<hr/>	<hr/>
Total Receipts	323-30	4,494-02
 EXPENDITURE		
Donations		
PWMU of Victoria	-	3,100-00
Presbyterian Inland Mision	-	400-00
Building Officer	-	50-00
PWMU Memberships	-	480-00
Speaker Costs	-	600-00
Kirkbrae Book of Remembrance	-	50-00
	<hr/>	<hr/>
	-	4,630-00
	<hr/>	<hr/>
Balance as at 30th June, 2021	50,663-16	50,339-86

Represented by:

ANZ Term Deposits	37,071-41	37,000-00
Commonwealth Bank of Australia Term Deposit	10,000-00	10,000-00
BankFirst	3,591-75	3,339-86
	<hr/>	<hr/>
Total as at June, 2021	50,663-16	50,339-86

Judith Kilmartin

Judith Kilmartin
Hon. Treasurer

AUDITED AND FOUND CORRECT
William Holman
Graham William Holman FCPA
HON. AUDITOR 26/8/2021

ST STEPHENS FLEMINGTON PRESBYTERIAN CHURCH
Statement of Receipts and Expenditure 1/7/2020 to 30/6/2021

<u>Receipts</u>		<u>Expenditure</u>	
Balance of Accounts 1/7/20-	\$ 139,785.58	Ministers Stipend	\$31,544.14
Offerings	\$ 50,161.66	Ministers NCB's	<u>\$0.00</u> \$ 31,544.14
Donations	\$ 2,100.00	Ministers Super'n	<u>\$0.00</u>
Missions	\$ -	Ministers Insurance, LSL	<u>\$0.00</u> \$ -
Bank Interest	\$ 236.72	Supply Preaching & Travel	\$ -
Rental Income	\$ 53,488.35	Office & Administration Costs	\$ 2,729.55
Term Deposit Interest	\$ 398.55	Evangelism	\$0.00
Bequests	\$ -	Missions	<u>\$1,000.00</u> \$ 1,000.00
	\$ -	Congregational Expenses	\$ 1,106.30
Term Dep. Redeemed- \$30,000	\$ -	<u>Property Expenses -</u>	
	\$ -	<u>Church, Hall, etc. -</u>	
	\$ -	Maint. & Improvements	\$10,410.41
	\$ -	Outgoings	\$9,588.32
	\$ -	Other Property Costs	<u>\$18,801.20</u> \$ 38,799.93
	\$ -	<u>Manse & Other -</u>	
		Maint. & Improvements	\$20,000.00
		Outgoings	\$5,583.00
		Rental Costs	<u>\$0.00</u> \$ 25,583.00
		PCV GMP Budget Allocation	\$ 1,188.00
		PCV Assembly & Presbytery Rates	\$ 1,271.00
		PCV CSE Sinking Fund	\$ 7,200.00
		Balance of Accounts at 30/6/2021-	\$ 135,748.94
	<u>\$ 246,170.86</u>		<u>\$ 246,170.86</u>

		Represented By :-	
		General Cheque Account -	\$ 66,197.12
		ANZ Term Deposit #989933586 -	\$ 39,246.17
		ANZ Term Deposit #911439532 -	\$ 30,305.65
			\$ -
Total Income-	\$ 106,385.28	Balance of Accounts at 30/6/2021-	<u>\$ 135,748.94</u>
Total Paid Out-	\$ 110,421.92		
DEFICIT for Year-	<u>(\$4,036.64)</u>	Funds have DECREASED by -	<u>(\$4,036.64)</u>

I have examined the Books of Account and the Financial Records of the St Stephens Flemington Presbyterian Church, and it is my opinion that the above Statement of Receipts and Expenditure gives a true and fair view of the operations of the Church for the period 1/7/2020 to 30/6/2021 and its Bank Accounts balances as at 30/06/2021.

Dennis K Wright M.I.P.A. AFA
Principal in Public Practice.

September 13, 2021.

Dennis K Wright & Associates (an I.P.A. firm)
86 Kurunjang Drive
KURUNJANG Vic 3337

Mobile: 0417 571 809

Dennis K. Wright & Associates

PUBLIC ACCOUNTANTS

REGISTERED SMSF AUDITOR

ABN 15 475 458 239



INSTITUTE OF
PUBLIC
ACCOUNTANTS®

86 Kurunjang Drive
KURUNJANG VIC 3337

Mobile: 0417 571 809

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INDEPENDENT AUDITORS' REPORT

To the Members of the Congregation of
ST STEPHENS FLEMINGTON PRESBYTERIAN CHURCH

SCOPE

I have audited the Financial Accounts ("the Accounts") of the St Stephens Flemington Presbyterian Church for the year ended June 30, 2021. The Board of Management is responsible for the preparation and presentation of the Accounts and the information they contain. I have performed an audit of the Accounts in order to express an opinion on them to the members of the Congregation.

My audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable assurance as to whether the Accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Accounts and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the Accounts are presented fairly in accordance with Australian accounting concepts and standards to present a view which is consistent with my understanding of the Congregation's financial position and the results of its operations for the period then ended.

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

OPINION

In my opinion, the Statement of Receipts and Expenditure, showing Total Cash Assets of \$135,748:94 and a Deficit of \$4,036:64 give a true and fair view, in accordance with statements of accounting concepts and applicable accounting standards, of the financial position of the St Stephens Flemington Presbyterian Church, as at June 30, 2021 and the results of its operations for the year then ended.

Dennis K. Wright M.I.P.A. AFA
Principal in Public Practice

September 13, 2021