



# THE SCOTS' CHURCH MELBOURNE

## ANNUAL REPORT

**FULL OF HISTORY  
FULL OF LIFE**

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# The Scots' Church, Melbourne

## 185th Annual Report 2022-2023

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# Welcome to our Annual Report for 2022-23



While the purpose of an Annual Report is to summarise and present the financial side of church life, it's a good opportunity to reflect more widely on the spiritual and community side of church life too. Who knows - one day in posterity someone might read this report to gain some insight on what it looked like to follow Jesus in the city of Melbourne "back in the '20s".

In short, this has been an encouraging year of growth. Our 11am congregation has seen an influx of new faces, as more and more people come to appreciate the beauty of our time-tested traditional worship style, combined with clear Christ-centred Bible teaching and a caring community. A significant number are enquiring about the faith, often with a new sense of spiritual awareness after the tough pandemic years.

A real highlight has been the growth of our evening Scots City congregation. The appointment of Rev Dr Arthur Keefer to join our ministry team from January 2024 has been a long process, but the support of the Session, Board of Management and Trust has been invaluable.

Arthur's role as "Next Generations" pastor will see him serving across our congregations, with a remit to focus on ensuring Scots' Church is still going strong in 2054 (and beyond!)

Growing our ministry to children and families remains a key goal. Buwanika Weerasinha and Grace Bailey are doing a super job under unpredictable circumstances - on any given Sunday, there may be three children, sometimes eight, and sometimes none. Whatever the turnout, Buwanika and Grace are present, prepared, cheerful, and happy to serve. We should be praying and working towards the growth of this ministry area.

This has been a year when we have partnered in direct and practical ways in meeting needs around the world. Our Mission Partnership Team (Rosalie and Louise) have helped us forge links with work in Japan, inland Australia, Spain and Africa. We also worked with Arzu Danaher to host the Earthquake Appeal concert in early June. After the devastating earthquake earlier in the year, Arzu was keen to help relieve the suffering of her home community in Turkey. So she co-ordinated fellow members of the Scots' Choir and a team of Turkish musicians to create "Mesopotamian Laments" - an afternoon of excellent music, raising around \$12,000 which we've transferred directly to families in ongoing need. It has been encouraging to receive responses like this one:

*"I am Antuvan and my wife is Nazire. We would like to thank your church very much for your help for our son Edip. After the great disaster in Hatay, we are grateful for the support you have given us, I would like to thank you and your board of directors, first of all, Lord Jesus Christ."*

The reports that follow all represent the diligent work of our Scots' Church Boards and Committees, and especially the office bearers. On your behalf, I thank them, along with our staff and ministry team, who have all contributed to making Scots' Church Melbourne such a vibrant and encouraging Christian community. Special thanks are reserved for Session Advisor Rev Phil Court, Session Clerk Rosalie Strother, and my wife and ministry partner Louise. Without their collective wisdom and energy, very little would be achieved.

*Phil Campbell,  
Senior Minister*

# 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](mailto:admin@scotschurch.com)

Website: [www.scotschurch.com](http://www.scotschurch.com)

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### 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

#### MINISTRY ASSISTANT, SCOTSCITY

Mr Johnson Wang

## **KIRK SESSION - ELDERS ON 30 JUNE 2023**

Mr Dennis Conradi

Mr Bruce Evans

Mr Nader Hanna

Mr Graeme Harris

Mr Sonal Herlekar

Mrs Helen Holman

Mr Paul Keress

Mr Jack Laisanna

Mr Robert Lowe

Mr Wayne Truong

Dr Andrew McDonald

Mr Craig McIntosh

Mr Graham Nixon

Mr Stallone Joel Purushottam

Dr Solomon Sahhar

Prof. Sen Sendjaya

Dr Douglas Sherman

Mr Gordon Taylor

Mrs Lois Taylor

## **ADVISOR TO SESSION**

Rev. Philip Court

## **ELDERS EMERITUS**

Miss Rae Anstee AM DSJ

Mr Stewart Banks

Dr Charles Castle

Mr James Nuske

## **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 2023

NAME	TERM EXPIRES AT END OF YEAR
Dr Caroline Allinson	2023
Ms Elizabeth Anderson	2023
Mrs Margaret Conradi	2024
Dr Rosemary Fethers	2024
Mrs Sirisha Joel	2024
Dr Elizabeth Lewis AM	2023
Mrs Margaret McKenzie Lowe	2023
Miss Lauris Murnane	2023
Mr Sebert Ruddock	2023
Mrs Danise Sherman	2023
Miss Rosalie Strother	2024

*All Elders and Trustees are ex officio members of the Board of Management.*

## **THE SCOTS' CHURCH PROPERTIES TRUST TRUSTEES ON 30 JUNE 2023**

Paul Kerss (Chairman)

Mr Bruce Evans

Mrs Helen Holman

Mrs Jennifer Pilgrim

## **THE SCOTS' CHURCH BOARD OF MANAGEMENT LTD DIRECTORS ON 30 JUNE 2023**

Mr Craig McIntosh (Chairman)

Mr Graham Nixon

Dr Solomon Sahhar

## **MUSIC MINISTRY**

### **DIRECTOR OF MUSIC**

Mr Douglas Lawrence AM

### **ORGANIST EMERITUS**

Dr Robin Batterham AO

### **ASSISTANT ORGANIST**

Ms Jennifer Chou

### **MUSIC MINISTRY SCOTSCITY**

Mr Jacob Daffy

## **CHURCH ADMINISTRATION**

### **ADMINISTRATOR**

Mr Jonathan North

### **ADMINISTRATION SECRETARY**

Mrs Wendy Gregory

### **ADMINISTRATIVE ASSISTANT**

Mr Monty Chandra

### **CHURCH CUSTODIAN**

Mr Ricky Holt

### **FINANCE MANAGER**

Mr Murray Hirst

### **WELCOME DESK ATTENDANT**

Mr Ken Bowden

## **PRESBYTERIAN AND SCOTS' CHURCH JOINT MISSION**

### **MISSIONER**

### **TREASURER**

Mrs Glenys Wright

### **SECRETARY**

Dr Rosemary Fethers

# The Scots' Church Administrative Operations



The year 2022/23 has presented its fair share of challenges for businesses in Melbourne due to the lingering impacts of the COVID lockdowns from 2020 and 2021. However, amid these difficulties, Scots' Church has shown remarkable resilience and positive growth.

Despite the lingering effects of COVID lockdowns, Scots' Church has maintained a strong presence, with a notable increase in visitor engagement. Ken Bowden, the welcome desk attendant, reports that on most weekdays, the Church sees a minimum of 60 visitors per day, often more.

Moreover, venue hire has rebounded to levels comparable to pre-COVID times. While government office bookings have declined, our venues have become a preferred choice for year 9 students seeking a "school city experience," showcasing its versatility and adaptability in meeting the needs of different groups.

A noteworthy development has been the increasing popularity of the function room in the Westpac building, 150 Collins St, for venue hire. This indicates a successful effort in expanding the Church's services to meet the demands of businesses and organizations seeking event spaces.

The launch of Scots' Church's new website on February 12 has been a resounding success. The website's presentation and user-friendly interface have received excellent feedback from visitors. Monthly visits have significantly increased, averaging 4,560, with 1000 visits per month to the 11 am service page. This significant rise in visitor engagement is evident from the increase in online inquiries, which jumped from just 4 in the previous 12 months to 64 in the last six months.

## The launch of Scots' Church's new website on February 12 has been a resounding success

The website's presentation and user-friendly interface have received excellent feedback from visitors.

## Monthly visits have significantly increased



**1000 VISITS**



per month to the  
11am service page

This significant rise in visitor engagement is evident from the increase in online inquiries



**04** PREVIOUS  
12 MONTHS

**64** IN THE LAST  
6 MONTHS

The passing of Mario Bortolotto, owner of Bortolottos Property Services, was a sad event that affected the Church's operations. Bortolottos, responsible for maintaining the Assembly Hall building and to some extent the Church, had to close for business. Despite this loss, Scots' Church demonstrated resilience by strengthening its staff team.

Terry Morrison and Rowell Senning, who had prior experience working in the Assembly Hall building with Bortolottos, joined our staff. Their addition significantly contributed to the team's overall efficiency and capabilities, highlighting the Church's ability to adapt to changing circumstances.

Throughout the year, the staff team at Scots' Church has demonstrated exceptional dedication and a sense of ownership in their respective roles. This commitment was evident across all levels, from full-time permanent staff to on-call casuals, who consistently went above and beyond their responsibilities to support the Church's ministry. Their collective efforts and hard work played a pivotal role in the overall success and growth of Scots' Church.

The performance of Scots' Church in the year 2022/23 exemplifies resilience and progress, despite the challenges posed by the COVID lockdowns. Increased church visitors, venue usage, and the successful launch of the new website are indicative of the Church's positive trajectory. The addition of Terry Morrison and Rowell Senning has further strengthened the staff team, while the existing staff's dedication and ownership have been commendable. As the Church looks to the future, their commitment to serving the church members and the wider community remains steadfast, while fostering positive relationships with Church members and all who visit Scots' Church.

**Jonathan North**

***Administrator - Operations***

# Kirk Session Review



**The ministry of Rev Phil and Louise Campbell continues to have a remarkable impact on Scots'; they have now been with us over 2½ years, with so many positive initiatives being implemented over this time.**

It has been wonderful to return largely to normality following the COVID-19 pandemic, although it has left a lasting legacy across every sphere of society. Numbers at services have steadily increased over the past twelve months, and it has been a pleasure to welcome many new people into our midst. High quality live streaming of morning services continues, with subsequent availability on YouTube.

**Through this, our ministry reaches an average of 34 people who join the service.**



with an additional 150 viewing over the following days and weeks.



**The Sermon Podcast is just over a year old -**



with 940 plays and up to 18 listeners weekly, the majority coming from Australia and the United States.

As well as reaching far beyond Scots' Church through our website, these options allow frail and elderly members, who would not otherwise be able to attend, to participate in the Sunday morning worship service. Services of Holy Communion were held on 4 September and 4 December 2022, and 6 March, Easter Day 9 April, and 4 June 2023.

The contemporary ScotsCity evening service continues to show steady growth, with Johnson Wang taking over from Lauren Raiter as Ministry Assistant in early 2023, as Lauren prepares for overseas mission work. The Children's Ministry continues to grow with the enthusiasm and care of Buwanika Weerasinha and Grace Bailey and although numbers remain small at this stage there are some new faces to welcome week by week.

There have been some significant changes to the Session over the past year. Barry Kilmartin and David Gibb both resigned as elders in August 2022 for health reasons, after many years of faithful service. We were delighted to welcome Nader Hanna, Sonal Herlekar and Stallone Joel Purushottam as elders; they were ordained and inducted at a service on 9 October 2022, and have already assumed additional responsibilities. After many years of exceptional service Rae Anstee, Charles Castle and Jim Nuske were all appointed Elders Emeritus in early 2023. This allowed them to remain members of Session, but absolved them from regular responsibilities.

**Over the year  
we welcomed 6  
communicant members  
by profession of faith**



Six by transfer from  
other churches



Two by direct  
request to Session



One by reinstatement  
to membership



**Nine members transferred  
to other churches**



**We had three infant  
baptisms and one adult  
baptism during the year**

Bob Farquharson, an elder and member of St Stephen's, resigned in June 2023, after many years of faithful service; he and Yvonne are moving interstate for family reasons.

Sadly the following members passed away: in 2022 Laurie Young on 12 June; Jack Ross on 25 July; Gwenda Lund on 23 September; Beverley Bidgood on 6 October; Helen McGarrity on 29 November; Nancy Speirs on 29 December, and Elva Williams on 29 December; in 2023 June Bingham on 23 March; Linda Campbell on 18 May and Verna Turnbull-Smith on 23 May; and sadly, though it is outside the year covered by this report, we note that Jim Nuske passed away in July 2023. All were faithful and valued members of the Scots' Church family.

The annual review of the membership roll in early 2023 saw 21 names removed, nine by request, and an additional 11 after failing to respond after several attempts to make contact.

The Standing Committees of Session, Pastoral Care and Staffing, continued to meet through the year. The Pastoral Care Minister, Rev Litha Heshusius, continues to provide support to members and friends of Scots', together with the Pastoral Care Team under the leadership of Robert Lowe; this central ministry of the church is very much appreciated by many who face challenging times. As Deputy Session Clerk, Dr Rosemary Fethers has continued as the Safe Church Reporting Officer and Convener of the Safe Church Commission, and the Clerk of the St Stephen's Commission of Session. With the end of the pandemic, the COVID-19 Commission of Session, ably led by Rosemary, was discharged with thanks. She also continues as Secretary of the Flemington Mission. Our warm thanks to Rosemary for her contribution to the life of the church in so many spheres.

The Scots' PWMU closed as a branch on 13 July 2022, after 120 years of supporting missions. Scots' Church has since embarked on a new strategy for supporting world mission, while continuing to support the local Flemington Mission. We are developing links with four mission projects that we plan to support over several years, with mission lunches providing an opportunity to hear from the partners, either in person or by video link. The first two lunches, held after the morning service, have been inspirational and informative. We look forward to continuing this exciting initiative with prayer, contact, and regular financial support of our partners.

As Advisor to Session, Rev Phil Court continues to offer support and wise guidance, and has also provided regular pulpit supply for Phil Campbell. My warmest thanks to Phil Campbell and Phil Court, both of whom have been a constant source of wisdom and sound advice to me as Session Clerk.

We continue to give thanks to Almighty God for his care and blessings in so many ways through the year, as we look forward to the continuing growth and development of the ministry and outreach of Scots' Church.

**Rosalie Strother**  
*Session Clerk*

# International Christian Church



“With the launch of the 9:30am English service in April 2023, ICC Melbourne has officially become International Christian Church Melbourne.”

On average the 9:30am service has been attended by 30 people, and the 11am Indonesian-language service 170-180 people. We thank God for the countless individuals who have been involved for many years in praying and preparing for the launch of the new service.

The new ICC English service is part of the outcome of our strategic planning process which occurred in 2022 and 2023.

Following the results of the National Church Life Survey early in 2022, we identified five key priorities for ICC in 2023-2024, namely (1) simplification, (2) small groups, (3) rigorous training, (4) disciplined & collaborative execution, and (5) alignment of church mission, values, strategy, and structure.

## 🔑 5 KEY PRIORITIES FOR ICC 2023 - 24

### 🔑 01.

#### SIMPLIFICATION

### 🔑 02.

#### SMALL GROUPS

### 🔑 03.

#### RIGOROUS TRAINING

### 🔑 04.

#### DISCIPLINED & COLLABORATIVE EXECUTION

### 🔑 05.

#### ALIGNMENT OF CHURCH MISSION, VALUES, STRATEGY & STRUCTURE

Importantly, we engaged an external consultant from City to City (CTC) Australia to conduct a rigorous evaluation of our church health. The consulting report highlights that “there appears to be a broad gospel-centredness to the ministry of the ICC that is reflected widely in the lives of the congregation.”

A few recommendations were proposed by CTC Australia to ensure the flourishing of the church going forward, including implementing a new line of sight and accountability structure as follows.

I now serve as Director of International Ministries at Scots’ and Lead Pastor of ICC Melbourne, and Rev Christian Tirtha as the Pastoral Care Minister. We both serve in the church leadership group, along with Mr Beni Jobeanto, Mr Andy Sentosa, and Ms Kezia Wijaya. I’d like to acknowledge the contributions of Mr Elie Cung and Mrs Paulina Tan who have stepped down from the leadership team for personal reasons.

Starting in February 2023, Ms Kezia Wijaya has been appointed as a part-time Manager, Discipleship and Social Media at ICC Melbourne. One of our key priorities for 2023 is to shape ICC Melbourne as a church of small groups, not with small groups. As such, we prioritise discipleship and de-prioritise other programs accordingly. Kezia's role is to oversee this process so that a majority of those involved in ministry gradually become part of a discipleship group (80% by end of 2023, and 100% by end of 2024). We now have formed 16 small groups with approximately 120 members joining the groups.

**Following the sermon series on the gospel values, prayer, and missional church in 2022, a new sermon series from the gospel of John ("Come and See Jesus") commenced in April 2023 at the launch of the ICC English service.**

**A record-breaking number of Easter camp participants was observed in 2023.**

**103** 

**We had 103 people attending the camp held on the Easter weekend in Phillip Island.**



In June 2023, we had 17 adults admitted into the church membership and 1 adult and 2 infant baptisms.



We have also launched our Spotify podcast account in May 2023, featuring the Sunday service sermon both from the English and Indonesian services.

We very much appreciate the gracious leadership and support of our senior minister Rev Phil Campbell, as well as our session clerk Miss Rosalie Strother, the Kirk Session, and church office staff. Indeed, the Christian ministry is a team support!

Blessings,

Professor Sen Sendjaya

*Director of International Ministries, ICC*

# St. Stephen's Commission



The St Stephen's Commission is a Commission of The Scots' Church Session, appointed by Session for a period of 12 months. It reports to Scots' Session at ordinary Session meetings. The current Commission is appointed until February 2024.

## ST. STEPHEN'S COMMISSION OF SESSION 2023



### SESSION ADVISOR

Rev Phil Court (from May 2023)



### ELDER

Dr Bob Farquharson (to May 2023)



### COMMISSION CLERK

Dr Rosemary Fethers



### ELDER

Mr Graeme Harris



### ELDER

Mr Jack Laisanna



### ST. STEPHEN'S MINISTER

Rev Andrew Wong (to May 2023)

## Church Life at St Stephen's

Life at St Stephen's established a happy routine during 2022 with the regular services punctuated by the much loved Indonesian services. Five new members joined the congregation by profession of faith and there were two baptisms, one adult and one infant. A plan was made for St Stephen's to work towards being an independent charge with enthusiasm from all quarters.

Inner West Anglican Church approached St Stephen's to share the church premises as a church plant from St Jude's Carlton. A Memorandum of Understanding between the two churches was signed in July 2022 and several joint initiatives and activities have occurred.



**A Children's Playgroup Ministry was formed and takes place in the church every Wednesday**

## **The two churches held a Community Carol Fundraising Event**



**150**

with around 150 attending

**\$1800**

raised for the Flemington Mission

Unfortunately for St Stephen's, Andrew Wong was called to Dandenong Presbyterian Church and accepted, handing in his resignation in May 2023. We thank him for his enthusiastic ministry and wish him, Garam and the boys all the best in their new life at Dandenong.

Sadly too, St Stephen's stalwarts, Bob and Yvonne Farquharson, made the decision to move to Newcastle to be with their children and grandchildren. Their contribution has been enormous: Elder Bob on the Commission, the Board of Management, managing the properties, keeping an eye on everything; Yvonne in her pastoral, safe church, music coordinator and performance roles. We know their place now is with their family and wish them the very best and thank them for everything over the years.

Happily, some younger and new and old members have stepped up to the challenge of the Board of Management responsibilities, the music roster and pastoral duties.

In June 2023 Phil Court was appointed to the Commission as Session Advisor to chair all the St Stephen's meetings, arrange weekly pulpit supply and to help plan for the future. Session was requested to start advertising for a new assistant minister to St Stephen's. The congregation met to begin planning their future.

Despite these challenges, the congregation continues to meet for enthusiastic worship and fellowship and St Stephen's continues to be a happy, welcoming community. Many of the congregation are also enthusiastic volunteers at the Flemington Mission.

### **Safe Church at St Stephen's**

The St Stephen's Safe Church Policy was adopted in July 2022. All the compliance requirements have been submitted to the Safe Church Unit and there were no new incidents to report.

### **St Stephen's Trustees**

After due consideration, on 16 October 2022, at the Annual Congregational Meeting, the St Stephen's trustees resigned and it was resolved not to nominate any replacement so that the Presbyterian Trusts Corporation becomes the trustee. This does not change the property management and income in anyway but does absolve congregational members of onerous responsibility. St Stephen's thanks the trustees for their service.

**Dr Rosemary Fethers**

***St Stephen's Commission Clerk***

# Presbyterian and Scots' Church Joint Mission (Flemington Mission)

## OFFICE BEARERS



### **CHAIR**

Rev Phil Campbell; Scots' Church Senior Minister



### **VICE CHAIR**

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 Sirisha Joel; Appointee of Kirk Session

## COMMITTEE



### **APPOINTEE OF MISSION COMMITTEE**

Mrs Louise Campbell



### **APPOINTEE OF KIRK SESSION**

Rev Litha Heshusius



### **APPOINTEE OF KIRK SESSION**

Mr Joel Purushottam



### **APPOINTEE OF KIRK SESSION**

Mrs Nurma Tjoeka



### **APPOINTEE OF PRESBYTERY OF THE BOUNDS**

Vacant



### **MISSIONER**

Vacant

**Throughout 2022-2023  
the Flemington Mission  
has remained a vibrant  
community hub**



**100**

Hosting an average of  
100 families a week



**130**

Expanding to 130 for  
Christmas breakup

**Food continues to be  
supplied by Foodbank**

with special additions of harder-to-  
obtain items from our generous donors.

**The Footpath Library  
has also joined to  
supply books**



**Orange Sky washing  
service continues on site**



**Morning Tea and Lunches  
are served every week by  
our dedicated cooks**

The Mission has a wonderful team of volunteers and donors, all working together in various complementary roles to make everything run generously, efficiently, accountably, and with love.

There are many individual stories from our community that demonstrate that the Flemington Mission has made a difference in their lives.

Sadly, this year we have seen the departure of Andrew Wong to his calling to Dandenong Presbyterian Church and we thank him for his years as Missioner. Yvonne and Bob Farquharson are also leaving to be with family in NSW. We thank Yvonne for her years on the Mission Committee and to Bob and Yvonne for their loyal volunteering every week.

Happily, we have welcomed Sirisha Joel and Joel Purushottam to the committee and are in the process of looking for a new Missioner. Several new and enthusiastic volunteers have also joined us.

Some highlights of the year include a visit from the Proactive Policing Unit to help in keeping our community safe. The Warringa Special School had a donation drive for the Mission and a class came as an excursion to present us with the donations and learn about charity. We had one donor who was cared for by the Mission several years ago as a new refugee family and, now successful, wanted to return with her thanks.

Our thanks to all the wonderful team of volunteers, donors and committee members and we look forward to another productive year ahead.

**Dr Rosemary Fethers**  
*Secretary*

# Board of Management



**The Session (comprising the Elders) deals with the spiritual matters of the church, whilst the Board of Management deals with the physical and financial matters. The Board comprises “Managers”, who are elected for 2-year terms but may be re-elected, the “Elders”, and the trustees of The Scots’ Church Properties Trust.**

**The principal matters the Board has dealt with this year are outlined in this report.**

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## **Our Finances**

The Scots’ Church Properties Trust was established in 1891. It owns the church, the Georges building, and the land on which the present Westpac building stands. The income from the trust pays the greater part of the salary of our senior minister, a like amount for an assistant minister or for congregational purposes, and the remainder is divided equally between the PCV for home mission purposes and the Board of Management for the maintenance and improvement of the church, and erection and maintenance of buildings for outreach or congregational purposes (or for any other purpose approved by the PCV).

To give an idea of the present-day order of magnitude of these annual amounts, the two salary components total about \$300,000, whilst the amount specified for building maintenance is about \$1 million. For comparison our annual offerings total around \$100,000.

The amount for building maintenance sounds large, but the church is an old building that requires a great deal of manual work to maintain it as a heritage building. Later in this report, we discuss the stonework and the roof slates, and we will see that very large—many millions of dollars—programs will be required at infrequent intervals to keep the church in a satisfactory condition.

## **New Ministerial Staff**

The Senior Minister has requested that we establish positions and salaries for a “New Generations Director” and a “Director of Families Ministries”. We have established a budget in which these positions can be funded.

## **Manse Repairs**

The church owns a manse in Balwyn where our previous minister lived. Following his departure, a great deal of maintenance and repairs are required. We are grateful to Andrew Conradi who has established a presence there to discourage squatters and vandals and who has been performing many of the minor maintenance needs. However, the building requires some \$300,000 of major repairs which are now being performed.

## **Notice Boards**

Last year we upgraded our main notice board at the corner of Collins and Russell streets by replacing it with a digital notice board. There are two smaller framed notice boards attached to the fence near the Collins St gate and the disabled entrance beside the Westpac building. We are seeking permits to replace the interior of these frames with digital signs of the same size as the present signs.

## Stonework

The church walls and the most visible parts of Assembly Hall are clad with Barrabool sandstone, a soft sandstone which is easy to work but which absorbs water and eventually softens. Most buildings made of Barrabool stone have required major replacement programs. Scots' Church, built in 1873, was restored in the early 1900s, 1975 and 1987-1994. The most recent restoration involved the East wall and the tower. The other walls did not need attention at that time. We have met with our Heritage Consultant (a geologist who has devoted his life to the stone on Melbourne's buildings) to discuss how to obtain estimates that will enable the determination of how much needs to be put aside each year in anticipation of future repair projects. Assembly Hall is clad with the same type of stone. So far that stone has stood up well to exposure, but Sydney sandstone, used at the tops of the walls to prevent water ingress, has aged, and started to fall off. We are about to seek tenders for the replacement of those stones.

## Roof Slates

The church roof is made from Welsh slate, which has a blue tinge. These are the original slates that were applied around 1873, so they have stood well over time. They are now starting to slip and allow water ingress, so replacement will soon be needed. It seems that Welsh slate is no longer available, and the replacement may need to be Canadian slate which has a slightly pink tinge. Again, this will be a project valued in millions of dollars.

## Computer Security

In the wake of the Optus and Medibank computer hacking, we, like most small businesses, are reviewing the security of our computer systems.

## Moderator's Flood Appeal

The Presbyterian church at Rochester was badly affected by the floods late last year. So too, were many of its members. The moderator of the PCV instituted an appeal for help to which the Board donated \$5,000. This was supplemented by a retiring offering taken after church services.

### Donations

In the last year, Scots' Church has made a total of -

**\$84,797.74**

in donations which were approved by the Board of Management.

These donations were put towards

- PLC First Nation Scholarships
- Mission Partners
- Joint Mission Flemington
- Turkey Earthquake Appeal

**The Sausage Sizzle team has been actively involved in raising donations throughout the year, which have gone to -**

- Sports Chaplaincy
- Flemington Joint Mission
- Turkey Earthquake Appeal
- Melbourne City Mission
- Royal Flying Doctors

Douglas Sherman  
Secretary

# Finance Committee



The Finance Committee met quarterly during the past financial year. Most meetings were conducted on a hybrid basis, that is, in person and via Zoom. The Zoom facility meets the needs of some of the members who are busy with their employment or who find it difficult to attend meetings in person.

We have been saddened to lose our long-serving members, Mr James Nuske and Dr Elizabeth Lewis, with their passing. Jim served with distinction as the Church's Treasurer and Elizabeth was an active and dedicated member of the Committee.

It is pleasing to report that the Church's financial position has improved strongly. There has been an improvement in most of the revenue sources. It is also fair to say that the increase in inflation has also had an effect.

## General Fund

The total income receipts for the financial year exceeded the previous year by some \$300,000. It is most pleasing to report that Offerings exceeded the previous year by \$58,000, reflecting members' strong financial commitment to the Church. The Finance Committee gives special thanks to our Congregation for their ongoing generosity.

Hall Hire also improved strongly and exceeded the previous year by some \$80,000. These results demonstrate a return to pre-Covid times.

The total expenses increased when compared to the previous year by \$124,000. The primary driver for the increase was Ministry and Payroll Expenses, where salaries increased by some \$100,000. Church Office Staff received a once-only Cost-of-Living payment of \$22,300. The Profit and Loss Account reflects a net surplus of \$206,439 for the year, compared to a surplus of \$15,352 for the previous year.

It is particularly pleasing to report that the General Fund is now reporting an Accumulated Surplus of \$205,198 compared to a Deficit of \$1,241 for the previous year. This improvement has given the Auditors more comfort in the Going-Concern analysis. The General Fund had cash reserves of \$669,509 at the financial year end.

## Building Maintenance and Improvement Fund (BMI Fund)

The BMI Fund has had a particularly strong year financially. The Scots' Church Properties Trust (SCPT) has negotiated the extension of the lease for Georges from 30 to 50 years. The Georges Tennant paid the SCPT a premium of \$7.6M for the extension, which is equally distributed to the BMI and the PCV. This premium is in addition to the normal annual SCPT distribution for the BMI Fund of approximately \$1m. In total therefore, the BMI Fund received a total income of \$4,693,403 compared to \$1,039,813 for the previous year.

On the expense side, the Church is faced with two very significant repair issues. The Assembly Hall Façade restoration will most likely be tackled next year. The façade is undergoing a "make-safe exercise" this year and the Church Roof will need to be replaced within the next few years. The total cost of these significant repairs is approximately \$5M. The Church is blessed that due to the additional funds that have been received from the SCPT, the repair works are able to be funded.

## The Manse Renovation

During 2023, the Manse Committee decided to renovate the Manse at Balwyn. The renovations are funded by the BMI Fund. This project has been managed by Dennis and Andrew Conradi. The total cost of the renovations has been estimated at \$300K. It is anticipated that the works will be completed by the end of the calendar year. The Manse will either be used to accommodate the new Assistant Senior Minister, when that person is recruited, or let commercially. The income will be very helpful in covering the existing Ministry costs.

## Cashflow forecasts

The Treasurer and Finance Manager have prepared 5-year financial forecasts to make sure that the Church is able to meet its financial commitments. These forecasts are updated and rolled forward on a quarterly basis as actual results are known.

## Investment & Special Purposes Fund (ISP Fund)

The ISP Fund performed well in the financial year. The total income for the year was a surplus of \$129,087 compared to a loss of \$132,882 in the previous year. In particular, there was an Unrealised Gain on the portfolio market movement compared to an Unrealised Loss of \$241,178 the previous year. 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. The Portfolio Total at 30 June 2023 was \$2,358,241 which is slightly lower to the \$2,531,943 previously. Cash held in the portfolio amounted to \$367,751 compared to \$39,874 in the previous year.

## Donations from the Fund

The Finance Committee discusses the donations from the fund, which are recommended to the Board for approval. During the 2022/23 financial year the following donations were made from the Fund:

- |   |   |
|---|---|
| ● Presbyterian & Scots' Joint Mission<br>- \$10,500 | ● ICC Melbourne<br>- \$5,000  |
| ● PLC Indigenous Scholarships<br>- \$40,991         | ● Contribution to Cost-of-Living Payment to Staff<br>- 13,500               |
| ● Rochester Flood Appeal<br>- \$5,000               | ● Royal Flying Doctor<br>- \$376 as a top-up to Sausage Sizzle donations    |
| ● Mission Partners<br>- \$3,030                     | ● Melbourne City Mission<br>- \$420 as a top-up to Sausage Sizzle donations |

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

## Finance Staff

I am most grateful to Murray Hirst whose role as the Finance Manager is crucial to the control of the Church's finances and its accounting system, XERO. Murray collaborates closely with me, as well as with Jonathan North, Administrator- Operations. He discusses the Church's finances with the Senior Minister on a regular basis. Keenan North assists Murray, on a casual basis. My grateful thanks to the Staff for their dedication and care of the Church.

## Finance Committee Members

The Church is blessed to have a committed and faithful Finance Committee. The Committee's membership is Mr Sebert Ruddock (Honorary Treasurer and Convenor), Mr Craig Macintosh, Mr Dennis Conradi, Mr Barry Kilmartin, Mr Robert Lowe, and Dr Douglas Sherman. Rev Philip Campbell attends the meetings and provides valuable insights into the needs and functioning of the Church.

Murray Hirst and Jonathan North support the Committee.

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

## Sebert Ruddock

*Honorary Treasurer*

# Property Committee



## Fire Indicator Panel and Smoke Alarms

Several years ago, it was brought to our attention that the Church's Fire Indicator Panel and Smoke Alarms would require replacement. This need became even more apparent this year as the panel increasingly registered faults within the system. To address this issue, we undertook the task of replacing the Fire Indicator Panel and detectors.

**To address this issue, we undertook the task of replacing the Fire Indicator Panel and detectors.**



**The Church is equipped with 27 smoke detectors and 18 thermal detectors**

many of which are located in hard-to-reach areas, such as the spire or confined spaces under the floor



**Over time, numerous azaleas inside the Church fence have either been damaged or disappeared**

In response, we have replaced the damaged and missing azaleas, and we eagerly anticipate their blooming in the spring.

## **Challenges of Maintenance**

Maintaining a 149-year-old heritage-listed property is never straightforward, as our previous administrator, Sebert Ruddock, often remarked. One seemingly simple task, such as changing a light globe, can turn into a more complex undertaking.

Recently, our facilities officer, Rick Holt, informed the Administrator - Operations that none of the main lights in the church were functioning. This occurred just two days before the Sunday Service, where we needed the lights to be operational. Our electrician was promptly called in to address the situation, and with the assistance of Rick, they worked together to identify the problem by systematically disconnecting each light one at a time. Eventually, they pinpointed the faulty light located above the communion table in the apse.

The light was lowered using the purpose-built electric hoist. The faulty light globe, which was soon to become obsolete, had to be replaced. Our electrician managed to find a suitable replacement globe. However he had to make slight modifications to the casing, and the new globe was successfully installed. We sought input from the Minister, Video Streaming Team, and Administrator - Operations on the new lighting setup, and thankfully, they all approved of the changes.

Maintaining and upgrading a historical property like ours comes with its fair share of challenges, and simple tasks can be time-consuming. However, we are committed to preserving its integrity and ensuring a safe and functional environment for our congregation and visitors.

**Dennis Conradi (*Convener*) & Jonathan North (*Operations*)**

# Scots' Church Board of Management Limited



**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 Ltd. were elected as the founding directors of this entity -



## **Scots' Church Board of Management Ltd.**

- Mr Craig McIntosh
- Mr Graham Nixon
- Dr Solomon Sahhar



**It held its inaugural meeting on 5 May 2017**

**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 income improved, post COVID-19, with tenants resuming normal rental arrangements, repaying their share of rental relief and vacant tenancies occupied. The commercial tenancies are now 100% occupied.

The Scope of Works has recently been completed by Cathedral Stone in relation to the restoration and repair of the stonework and roof of the Assembly Hall building. The estimate of these works is currently \$3.0 Million subject to the nature and timing for execution of the works.

Lovell Chan has also been engaged to undertake a review of the Assembly Hall building to identify any potential for increasing the commercial return thereto. This initiative has been undertaken at the request of the PCV Assembly Hall Working Group with a view to assisting them in their report to Assembly in October 2023. The façade restoration project has temporarily been put on hold until the Lovell Chan review is completed.

All other ongoing building maintenance is managed by Fitzroys under a Building Maintenance Program in conjunction with the regular cleaning and minor maintenance program. The cleaning contractor, Bortolotto's, closed their business during the year so Scots' Church seconded the two key staff members to be employed directly by Scots' Church for the purposes of continuing to provide the services to both the Church and Assembly Hall. This has produced a mutually beneficial outcome as well as a seamless transition with no interruption to the provision of services.

The Assembly Hall is in a sound financial position with \$487,712 in cash at bank as at 30 June 2023 after payment of the FY24 property Insurance of \$105,466 (2022: \$442,791 excluding FY23 property insurance as it was paid by instalments during the year) and only minor commitments and/or liabilities as at that date.

**Mr Craig McIntosh**

*Chairman*

# Scots' Church Properties Trust (SCPT)



The financial year ended 30th June 2023 has been a year of highs and lows for the SCPT. The resignation of long-standing Trustee Mr Jim Nuske due to ill health was certainly the low point of the year.

**Jim had been a Trustee since 1997 and had served the Trust with distinction during his tenure, none more evident than during the court case brought against the Trustees by the PCV, and on behalf of the Trustees I want to publicly thank Jim for his outstanding service to the Trust.**

Jim's business acumen and insight are going to be sorely missed going forward. The election to fill the vacancy has already been held and we look forward to welcoming the incoming Trustee when the appointment is confirmed by the Governor in Council, hopefully in the not-too-distant future.

The high point of the year comes from the Trust's operations as a commercial landlord, after the severe impact of lockdowns and government mandated rent relief for commercial tenants that resulted in reduced income for the Trust over the last couple of years, especially from the Georges Building.

The Trustees are delighted to announce that during the financial year they have renegotiated the lease with the Head Tenant of the Georges building which has seen a new lease with a 50-year term

**with an upfront rent payment of  
\$7,550,000.00  
paid to the Trustees**

In addition, all of the outstanding deferred rent from the government mandated COVID 19 rent relief that was still outstanding from the old lease being paid, this means that as a result the beneficiaries of the Trust, namely the Scots' Church Board of Management and the PCV Home Missions and Extension Committees will receive substantially larger than normal distributions this year to assist them with their endeavours. The major repairs to the façade of the Georges building which had been seriously delayed have now been completed.

We look forward to the new financial year in which we will see a new Trustee appointed and hopefully some normality will return and reflect more consistent distributions to our beneficiaries. The Trustees wish to thank Mr Murray Hirst for all his work in the position of ex officio Secretary of the Trust; his contribution is much appreciated as is that of Mr Michael Ridler and the team at Fitzroys, the Trusts property managers, with special thanks for their hard work and advice during the lengthy negotiations for the new Georges lease.

**Paul L Kerss**  
*Chairman*

# The Scots' Church, Melbourne

## Auditor's Reports and Financial Statements

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- **The Scots' Church General Fund ABN 949 650 75115**  
Annual Report for the Financial Year Ended 30th June 2023
- **The Scots' Church Building, Maintenance & Improvements Fund**  
Annual Report for the Financial Year Ended 30th June 2023
- **The Scots' Church Investment & Special Purposes Fund**  
Annual Report for the Financial Year Ended 30th June 2023
- **ICC Melbourne (formerly the Scots' Church - Indonesian Christian Church)**  
Special Purpose Financial Report for the Financial Year  
Ended 31st December 2022
- **Scots' Church Board of Management 63% interest  
in Assembly Hall: ACN 618 924 155**  
Financial Report for the Financial Year Ended 30 June 2023
- **The Scots' Church Properties Trust ABN 89 115 098 913**  
Statement of Receipts and Payments for the Year Ended 30th June 2023
- **The Scots' Church Minor Trusts: ABN 89 115 098 913**  
Financial Report for the Year Ended 30th June 2023
- **Stephen's Presbyterian Church Flemington**  
Financial Statement and Auditor's Report for the Year Ended 30th June 2023
- **Presbyterian and Scots' Church Joint Mission Inc. (Reg. No. A0026604L)**  
Financial Statements for the Year Ended 30th June 2023
- **The Scots' Church PWMU Financial Statement**  
Twelve Months Ended 30th June 2023

**The Scots' Church General Fund**  
**ABN 949 650 75115**

**Annual report for the  
financial year ended 30 June 2023**

# **Special purpose financial report**

## **for the financial year ended 30 June 2023**

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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 General Fund ("the General Fund") for the financial year ended 30 June 2023.

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 - 2023	Mr Robert Lowe	2003 - present
Dr Charles C Castle	1987 - 2023	Dr Andrew McDonald	2014 - present
Mr Dennis Conradi	2005 - present	Mr Craig McIntosh	2005 - present
Mr Bruce C Evans	1993 - present	Mr Graham Nixon	1993 - present
Mr David Gibb	2014 - 2022	Mr James F Nuske	2005 - 2023
Mr Nader Hanna	2022 - present	Dr Sol Sahhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mr Sonal Herlekar	2022 - Present	Mr Gordon Taylor	1987 - present
Mrs Helen A Holman	1983 - present	Mrs Lois Taylor	1993 - present
Mr Stallone Joel	2022 - present	Mr Wayne Truong	2014 - present
Mr Barry Kilmartin	2003 - 2022	Professor Sen Sendjaya	2010 - present
Mr Paul Kress	2007 - present		

### Teaching Elders

Rev Phil Campbell	2021 - present	Rev Christian Tirtha	Indonesian Church
Rev Philip Court	2020 - present	Rev Andrew Wong	St Stephens/Mission 2023

### Managers

Dr Caroline Allinson	2018 - present	Miss Lauris Murnane	2010 - present
Ms Elizabeth Anderson	2022 - present	Mrs Jennifer Pilgrim	2009 - present
Mrs Margaret Conradi	2005 - present	Mr Sebert Ruddock	2021 - present
Dr Rosemary Fethers	2021 - present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Dr Elizabeth Lewis AM	2010 - present	Mrs Jodi Tregale	2007 - 2023
Mrs Margaret E Lowe	2016 - present		

### Session Clerk

Ms Rosalie Strother	2020 -present
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### Honorary Secretary

Dr Douglas Sherman	1997 – present
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### Honorary Treasurer

Mr Sebert Ruddock	2020 - present
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### Deputy Session Clerk

Dr Rosemary Fethers	2021 - 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 2023 financial year was \$206,439 (2022: surplus of \$15,352).

### Changes in state of affairs

There were no significant changes to the state of affairs of the Scots' Church General Fund during the financial year.

### 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 2023, no distributions were paid from the General Fund (2022: \$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.

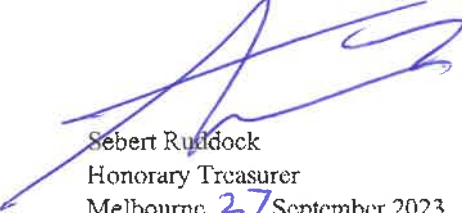
### Subsequent events

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.

## Board of Management's report (cont'd)

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, 27 September 2023

## 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 "Entity"), which comprises the statement of financial position as at 30 June 2023, 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 2023 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 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

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 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 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 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.

- 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 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



Isabelle Lefevre  
Partner  
Chartered Accountants  
Melbourne, 27 September 2023

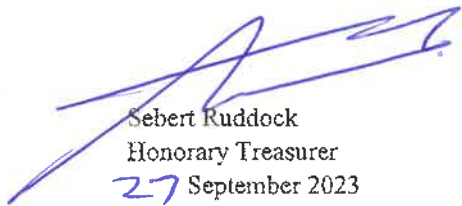
## Board of Management's declaration

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 of Management's reporting requirements.

The Board of Management declares that:

- (a) in the Board of Management'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 of Management'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 members of the Board of Management.



Sebert Ruddock  
Honorary Treasurer  
27 September 2023

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

Income	Note	2023 \$	2022 \$
Contribution from The Scots' Church Building, Maintenance & Improvements Fund		481,337	453,672
Contributions from the Scots' Church Properties Trust	4(c)	334,034	296,704
Contributions from the Scots' Church Minor Trust		7,032	11,415
Interest income		3,882	-
Legacies and bequests		40,053	47,613
Offerings	4(a)	156,038	97,699
Management Fee		101,011	99,115
Other income	4(b)	518,162	320,093
<b>Total Income</b>		<b>1,641,549</b>	<b>1,326,311</b>
<b>Expenses</b>			
Church expenses	5(a)	(326,945)	(294,753)
Depreciation, amortisation and impairment		(8,282)	(8,943)
Security expenses		(1,357)	(25,798)
General mission program		(14,960)	(14,257)
Legal expenses		(123)	-
Ministry and payroll expenses	5(b)	(1,065,993)	(951,611)
Other expenses	5(c)	(17,147)	(15,461)
Finance costs		(303)	(136)
<b>Total Expenses</b>		<b>(1,435,110)</b>	<b>(1,310,959)</b>
<b>Surplus before tax</b>		<b>206,439</b>	<b>15,352</b>
Income tax expense		-	-
<b>Surplus for the year</b>		<b>206,439</b>	<b>15,352</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>206,439</b>	<b>15,352</b>

The accompanying notes form part of these financial statements.

## Statement of financial position at 30 June 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	11(a)	669,509	491,625
Trade and other receivables	6	55,719	14,201
Prepayments		6,193	-
<b>Total current assets</b>		<b>710,849</b>	<b>505,826</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	13,009	14,530
Right-of-use asset		13,973	2,089
<b>Total non-current assets</b>		<b>26,982</b>	<b>16,619</b>
<b>Total assets</b>		<b>758,403</b>	<b>522,445</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	114,871	96,651
Provisions	10	159,479	140,089
Lease liability		2,541	2,200
<b>Total current liabilities</b>		<b>276,891</b>	<b>238,940</b>
<b>Non-current liabilities</b>			
Borrowings from the Scots' Church Building, Maintenance & Improvements Fund	9	264,576	284,576
Provisions	10	168	170
Lease liability		11,570	-
<b>Total non-current liabilities</b>		<b>276,314</b>	<b>284,746</b>
<b>Total liabilities</b>		<b>553,205</b>	<b>523,686</b>
<b>Net assets/(liabilities)</b>		<b>205,198</b>	<b>(1,241)</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		205,198	(1,241)
<b>Total surplus/(deficiency)</b>		<b>205,198</b>	<b>(1,241)</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2023

	Accumulated surplus/(losses) \$	Total \$
Balance at 1 July 2021	(16,593)	(16,593)
Surplus for the year	15,352	15,352
Other comprehensive income	-	-
Total comprehensive income for the year	15,352	15,352
<b>Balance at 30 June 2022</b>	<b>(1,241)</b>	<b>(1,241)</b>
Balance at 1 July 2022	(1,241)	(1,241)
Surplus for the year	206,439	206,439
Other comprehensive income	-	-
Total comprehensive income for the year	206,439	206,439
<b>Balance at 30 June 2023</b>	<b>205,198</b>	<b>205,198</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts and donations		639,713	483,808
Legacies and bequests		40,053	47,613
Receipts from the Scots' Church Building, Maintenance & Improvements Fund		562,348	537,293
Receipts from The Scots' Church Properties Trust		334,034	296,705
Payments to suppliers and employees		(1,395,110)	(1,272,416)
Finance cost		(303)	(136)
<b>Net cash generated by operating activities</b>	11(b)	<u>180,735</u>	<u>92,867</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(3,949)	(7,042)
Interest income		3,882	-
<b>Net cash used in investing activities</b>		<u>(67)</u>	<u>(7,042)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liability		(2,784)	(3,667)
<b>Net cash flow used in financing activities</b>		<u>(2,784)</u>	<u>(3,667)</u>
<b>Net increase in cash and cash equivalents</b>		177,884	82,158
<b>Cash and cash equivalents at the beginning of the year</b>	11 (a)	<u>491,625</u>	<u>409,467</u>
<b>Cash and cash equivalents at the end of the year</b>	11 (a)	<u>669,509</u>	<u>491,625</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 2022. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

### 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current · Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards · Non-current Liabilities with Covenants	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024

The Board of Management of the General 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 2023 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 ("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".

### 3. Significant accounting policies (cont'd)

#### 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.

#### 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

These financial statements have been prepared on a going concern basis.

### 3. Significant accounting policies (cont'd)

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.

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.

### 3. Significant accounting policies (cont'd)

#### (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.

#### (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.

### 3. Significant accounting policies (cont'd)

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

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 2023, no impairment of a related party receivable was recorded (2022: 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 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.

**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 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**

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.

### 3. Significant accounting policies (cont'd)

#### (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.

#### (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).

### 3. Significant accounting policies (cont'd)

#### (i) Income tax

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

#### (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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>4. Income</b>		
<b>(a) Offerings</b>		
Donation - direct debit	64,618	37,633
Donations - open plate	34,449	15,713
Donations - planned giving	56,972	44,353
	<u>156,038</u>	<u>97,699</u>
<b>(b) Other income</b>		
Church fees	23,987	17,100
Appeals	32,611	3,872
Donations	14,569	13,602
Fundraising	4,540	1,766
Hall hire	112,258	31,725
Reimbursement of expenses	210,238	180,619
Other income	119,959	71,409
	<u>518,162</u>	<u>320,093</u>
<b>(c) Contributions from the Scots' Church Properties Trust</b>		
Congregational purposes	167,017	148,352
Contributions towards salaries and stipends for Ministers	167,017	148,352
	<u>334,034</u>	<u>296,704</u>
<b>5. Expenses</b>		
<b>(a) Church expenses</b>		
Advertising	4,498	2,637
Professional fees	37,764	42,035
Computer expenses	12,644	10,873
Donations	44,229	30,199
Flowers and decorations	7,021	4,393
Lighting, heating and water	30,163	31,214
Music	27,545	47,504
Postage	3,498	3,820
Printing and reproduction	28,893	25,633
Sundry expenses	120,678	83,557
Telephone	10,013	12,888
	<u>326,945</u>	<u>294,753</u>

	2023 \$	2022 \$
<b>5. Expenses (cont'd)</b>		
<b>(b) Ministry and payroll expenses</b>		
Allowances	187,707	179,697
Insurance	6,946	5,634
Leave provision	13,076	27,722
Pulpit fees	2,546	2,492
Salaries	593,369	488,886
Stipends	156,261	151,262
Superannuation	96,923	79,123
Workcover	8,667	6,418
Other	818	10,377
	<u>1,065,993</u>	<u>951,611</u>
<b>(c) Other expenses</b>		
Miscellaneous	17,147	15,461
	<u>17,147</u>	<u>15,461</u>
<b>6. Receivables</b>		
Related party receivables:		
The Scots' Church Properties Trust	271,872	271,872
Less provision for impairment	<u>(271,872)</u>	<u>(271,872)</u>
	-	-
The Scots' Church Building, Maintenance and Improvements	-	-
The Scots' Church Investments, & Special Purpose Fund	7,333	-
The Scots' Church – Minor Trust	7,333	-
The Scots' Church – Indonesian Christian Church	-	-
Other receivables	41,053	14,201
	<u>55,719</u>	<u>14,201</u>
<b>7. Property, plant and equipment</b>		
Plant and equipment - at cost	25,655	21,706
Accumulated depreciation	<u>(17,190)</u>	<u>(15,580)</u>
	<u>8,465</u>	<u>6,126</u>
Furniture, fixtures and fittings - at cost	11,653	11,653
Accumulated depreciation	<u>(11,581)</u>	<u>(11,581)</u>
	<u>72</u>	<u>72</u>
Office equipment - at cost	72,516	72,516
Accumulated depreciation	<u>(68,044)</u>	<u>(64,184)</u>
	<u>4,472</u>	<u>8,332</u>
<b>Total property, plant and equipment</b>	<u>13,009</u>	<u>14,530</u>

	2023 \$	2022 \$
<b>8. Trade and other payables</b>		
Related party payables:		
The Scots' Church Building, Maintenance and Improvements	-	1,234
Trade payables	41,871	41,974
Accrued expenses	56,800	40,136
Income in advance	16,200	13,307
	<u>114,871</u>	<u>96,651</u>

**9. Borrowings – related party**

Loan from The Scots' Church Building, Maintenance and Improvements Fund

Current	-	-
Non-current	264,576	284,576
Total	<u>264,576</u>	<u>284,576</u>

**10. Provisions**

Current

Employee benefits – Annual Leave	58,778	51,902
Employee benefits – Long Service Leave	100,701	88,187
	<u>159,479</u>	<u>140,089</u>

Non-current

Employee benefits – Long Service Leave	<u>168</u>	<u>170</u>
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**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	<u>669,509</u>	<u>491,625</u>
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	2023 \$	2022 \$
<b>11. Cash and cash equivalents (cont'd)</b>		
<b>(b) Reconciliation of surplus for the year to net cash flows from operating activities</b>		
Surplus for the year	206,439	15,352
Interest income	(3,882)	-
Depreciation and amortisation	8,282	8,943
<b>Movement in working capital:</b>		
(Increase)/decrease in assets:		
Trade and other receivables	(41,518)	54,602
Prepayments	(6,193)	-
Increase/(decrease) in liabilities:		
Trade and other payables	18,220	(5,535)
Loans	(20,000)	(15,494)
Provisions	19,390	34,999
Net cash generated by operating activities	180,735	92,867

**12. Commitments and contingencies**

There were no commitments or contingent liabilities at 30 June 2023.

**13. Auditor's remuneration**

Audit of the financial statements	16,167	21,458
	16,167	21,458

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 2023**

# **Special purpose financial report for the financial year ended 30 June 2023**

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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 2023.

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 - 2023	Mr Robert Lowe	2003 - present
Dr Charles C Castle	1987 - 2023	Dr Andrew McDonald	2014 - present
Mr Dennis Conradi	2005 - present	Mr Craig McIntosh	2005 - present
Mr Bruce C Evans	1993 - present	Mr Graham Nixon	1993 - present
Mr David Gibb	2014 - 2022	Mr James F Nuske	2005 - 2023
Mr Nader Hanna	2022 - present	Dr Sol Sahhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mr Sonal Herlekar	2022 - Present	Mr Gordon Taylor	1987 - present
Mrs Helen A Holman	1983 - present	Mrs Lois Taylor	1993 - present
Mr Stallone Joel	2022 - present	Mr Wayne Truong	2014 - present
Mr Barry Kilmartin	2003 -- 2022	Professor Sen Sendjaya	2010 - present
Mr Paul Kress	2007 - present		

### **Teaching Elders**

Rev Phil Campbell	2021 - present	Rev Christian Tirtha	Indonesian Church
Rev Philip Court	2020 - present	Rev Andrew Wong	St Stephens/Mission 2023

### **Managers**

Dr Caroline Allinson	2018 - present	Miss Lauris Murnane	2010 - present
Ms Elizabeth Anderson	2022 - present	Mrs Jennifer Pilgrim	2009 - present
Mrs Margaret Conradi	2005 - present	Mr Sebert Ruddock	2021 - present
Dr Rosemary Fethers	2021 - present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Dr Elizabeth Lewis AM	2010 - present	Mrs Jodi Tregale	2007 - 2023
Mrs Margaret F. Lowe	2016 - present		

### **Session Clerk**

Ms Rosalie Strother	2021 -present
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### **Deputy Session Clerk**

Dr Rosemary Fethers	2021 - present
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### **Honorary Secretary**

Dr Douglas Sherman	1997 -- present
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### **Honorary Treasurer**

Mr Sebert Ruddock	2020 - present
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### **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.

## Board of Management's report (cont'd)

### 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 \$3,608,113 (2022: \$171,636).

### Changes in state of affairs

There were no significant changes to the state of affairs of the entities within The Scots' Church Building, Maintenance & Improvements Fund during the financial year.

### 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 2023, distributions of \$481,337 were paid from the Building, Maintenance & Improvements Fund to the General Fund (2022: \$453,672).

### 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.

### 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.



Robert Ruddock

Honorary Treasurer

Melbourne, 27 September 2023

## **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 2023, 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 21.

In our opinion the accompanying financial report presents fairly in all material respects the Entity's financial position as at 30 June 2023 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 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

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 and accounting policies 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.
- 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



Isabelle Lefevre  
Partner  
Chartered Accountants  
Melbourne, 27 September 2023

## Board of Management's declaration

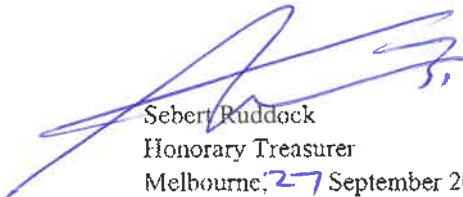
As detailed in Note 3 to the financial statements, the Building, Maintenance & Improvements Fund is not a reporting entity because in the opinion of the Board of Management there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board of Management's reporting requirements.

The Board of Management declares that:

- (a) in the Board of Management'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 of Management's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving 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 members of the Board of Management.

On behalf of the members of the Board of Management.



Sebert Ruddock  
Honorary Treasurer  
Melbourne, 27 September 2023

**The Scots' Church Building, Maintenance & Improvements Fund**  
Statement of profit or loss and other comprehensive income

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Income</b>			
Interest income		43,123	3,396
Distribution from The Scots' Church Properties Trust		4,614,182	1,013,371
Other income		36,098	23,046
		<u>4,693,403</u>	<u>1,039,813</u>
<b>Expenses</b>			
Contribution to The Scots' Church General Fund		(481,337)	(453,672)
Depreciation and amortisation		(33,603)	(33,055)
Employee benefits expense	4(c)	(205,907)	(194,870)
Maintenance	4(a)	(315,161)	(148,416)
Other expenses	4(b)	(49,281)	(38,164)
		<u>(1,085,289)</u>	<u>(868,177)</u>
Surplus before tax		3,608,113	171,636
Income tax expense	3(g)	-	-
<b>Surplus for the year</b>		<u>3,608,113</u>	<u>171,636</u>
<b>Other comprehensive income</b>			
Gain on revaluation of Organ	9	1,535	1,388
<b>Total comprehensive income for the year</b>		<u>3,609,648</u>	<u>173,024</u>

The accompanying notes form part of these financial statements.

## Statement of financial position at 30 June 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	11 (a)	1,093,069	376,572
Receivable from related entities	4	4,614,183	1,013,372
Trade and other receivables	4	4,236	3,955
Other financial assets		-	635,000
<b>Total current assets</b>		5,711,488	2,028,899
<b>Non-current assets</b>			
Property, plant and equipment	6	1,513,978	1,546,047
<b>Total non-current assets</b>		1,513,978	1,546,047
<b>Total assets</b>		7,225,466	3,574,946
<b>Current liabilities</b>			
Trade and other payables	7	55,097	21,798
Provision for employee benefits	8	20,450	17,877
Other Provision		5,000	-
<b>Total current liabilities</b>		80,547	39,675
<b>Non- current liabilities</b>		-	-
<b>Total liabilities</b>		80,547	39,675
<b>Net assets</b>		7,114,919	3,535,271
<b>Equity</b>			
Accumulated funds		5,735,408	2,127,295
Reserves	9	1,409,511	1,407,976
<b>Total equity</b>		7,114,919	3,535,271

The accompanying notes form part of these financial statements.

The Scots' Church Building, Maintenance & Improvements Fund  
Statement of changes in equity

## Statement of changes in equity for the year ended 30 June 2023

	Accumulated funds \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2021	1,955,659	1,406,588	3,362,247
Increase in fair value of organ	-	1,388	1,388
Income for the year	171,636	-	171,636
Total comprehensive income for the year	171,636	1,388	173,024
<b>Balance at 30 June 2022</b>	<b>2,127,295</b>	<b>1,407,976</b>	<b>3,535,271</b>
Balance at 1 July 2022	2,127,295	1,407,976	3,535,271
Increase in fair value of organ	-	1,535	1,535
Income for the year	3,608,113	-	3,608,113
Total comprehensive income for the year	3,608,113	1,535	3,609,648
<b>Balance at 30 June 2023</b>	<b>5,735,408</b>	<b>1,409,511</b>	<b>7,144,919</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from The Scots' Church Properties Trust		1,013,371	728,218
Payments to employees and suppliers		(513,660)	(352,457)
Interest received		43,123	3,396
Payments to The Scots' Church General Fund		(461,337)	(443,536)
<b>Net cash (used in) / generated by operating activities</b>		<u>81,497</u>	<u>(64,379)</u>
 <b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(41,709)
Amount invested in term deposits		-	(135,000)
Proceeds on redemption term deposit		635,000	-
<b>Net cash used in investing activities</b>		<u>635,000</u>	<u>(176,709)</u>
 <b>Cash flows from financing activities</b>		-	-
<b>Net cash generated by financing activities</b>		<u>-</u>	<u>-</u>
 <b>Net increase/(decrease) in cash and cash equivalents</b>		<u>716,467</u>	<u>(241,088)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>376,572</u>	<u>617,660</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>1,093,069</u>	<u>376,572</u>

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 2022. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

**2.2 Standards and Interpretations in issue not yet adopted**

At the date of authorisation of these financial statements, the 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants' (Amendments to IAS 1)	1 January 2024

The Board of Management of the Building, Maintenance and 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 2023 and after this date, but do not anticipate that the impact will be material to the financial statements

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

Notes to the financial statements

### **3. Significant accounting policies**

#### **Financial reporting framework**

The Scots' Church 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.

#### **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.

### 3. Significant accounting policies (cont'd)

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.

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.

#### (a) 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.

#### (b) Cash and cash equivalents

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

### 3. Significant accounting policies (cont'd)

#### (c) 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.

#### 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.

#### 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.

### **3. Significant accounting policies (cont'd)**

#### **(c) Financial assets and liabilities**

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 2023, no impairment of trade receivables has been recorded (2022: 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.

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.

### 3. Significant accounting policies (cont'd)

#### (c) Financial assets and liabilities

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the 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) 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.

#### (e) 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.

#### (f) Income tax

The Building, Maintenance & Improvements 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. 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.

### **3. Significant accounting policies (cont'd)**

#### **(h) 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.

#### **(i) 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

	2023 \$	2022 \$
<b>4. Expenses</b>		
<b>(a) Maintenance</b>		
Building	32,864	32,529
Cleaning	3,733	2,620
External	8,840	7,755
Manse maintenance	164,175	6,268
Organ tuning	3,700	3,980
Other building works	92,890	79,164
Sound system	3,449	12,001
Waste disposal	5,420	4,099
Electrical	90	-
	<u>315,161</u>	<u>148,416</u>
<b>(b) Other expenses</b>		
Security and fire system	23,840	17,808
Consulting and professional fees	23,379	20,356
Other	2,062	-
	<u>49,281</u>	<u>38,164</u>
<b>(c) Employee benefits</b>		
Salaries and wages	205,907	194,870
	<u>205,907</u>	<u>194,870</u>
<b>5. Trade and other receivables</b>		
<u>Current</u>		
Receivables from The Scots' Church Properties Trust	4,614,183	1,013,372
	<u>4,614,183</u>	<u>1,013,372</u>
Trade receivables	4,237	3,955
	<u>954,238</u>	<u>1,017,327</u>
<u>Non-current</u>		
Loan to related party - The Scots' Church General Fund	264,576	284,576
Loss allowance	<u>(264,576)</u>	<u>(284,576)</u>
	<u>-</u>	<u>-</u>

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

	2023 \$	2022 \$
<b>6. Property, plant and equipment</b>		
Organ Rieger Orgelbau – at fair value (i)	1,452,709	1,468,935
Plant and equipment - at cost	132,505	132,505
Accumulated depreciation	(98,056)	(93,358)
	<u>34,449</u>	<u>39,147</u>
Furniture, fixtures and fittings – at cost	194,706	194,706
Accumulated depreciation	(194,706)	(194,706)
	<u>-</u>	<u>-</u>
Improvements - at cost	187,782	187,782
Accumulated depreciation	(160,962)	(149,817)
	<u>26,820</u>	<u>37,965</u>
<b>Total property, plant and equipment</b>	<u>1,513,978</u>	<u>1,546,047</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 originally revalued in 2008 by Rieger Orgelbau GmbH. The Board of Management have obtained a valuation prepared by Rieger Orgelbau GmbH at 30 June 2023 which is reflected above.

**7. Trade and other payables**

Trade payables	31,597	5,798
Related party payable – The Scots Church General Fund	7,333	-
Accruals	16,167	16,000
	<u>55,097</u>	<u>21,798</u>

**8. Provisions**

Employee benefits	20,450	17,877
	<u>20,450</u>	<u>17,877</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

	2023 \$	2022 \$
<b>9. Asset revaluation reserve</b>		
Balance at the beginning of the year	1,407,976	1,406,588
Revaluations during the year	1,535	1,388
Balance at the end of the year	1,409,511	1,407,976

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 2023.

## **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	58,225	333,916
Cash at bank	64,898	42,656
Term deposit	1,000,000	-
	1,123,123	376,572

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

Surplus for the year	3,608,113	171,636
Depreciation	33,603	33,055

#### **Movement in working capital:**

(Increase)/decrease in assets:

Trade and other receivables	(283)	7,631
The Scots' Church Properties Trust	(3,600,811)	(285,153)
The Scots' Church General Fund	-	(9,864)

Increase/(decrease) in liabilities:

Employee benefit provisions	7,573	(673)
The Scots' Church General Fund	7,333	-
Trade and other payables and accruals	25,969	18,989
Net cash (used in) / provided by operating activities	81,497	(64,379)

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

2023	2022
\$	\$

**11. Commitments and contingent assets**

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.

There were no other commitments or contingent liabilities at 30 June 2023.

**12. Auditor's remuneration**

Audit of the financial statements	16,167	16,000
	<u>16,167</u>	<u>16,000</u>

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 2023**

# **Special purpose financial report**

## **for the financial year ended 30 June 2023**

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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 2023.

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 - 2023	Mr Robert Lowe	2003 - present
Dr Charles C Castle	1987 - 2023	Dr Andrew McDonald	2014 - present
Mr Dennis Conradi	2005 - present	Mr Craig McIntosh	2005 - present
Mr Bruce C Evans	1993 - present	Mr Graham Nixon	1993 - present
Mr David Gibb	2014 - 2022	Mr James F Nuske	2005 - 2023
Mr Nader Hanna	2022 - present	Dr Sol Sabhar	2007 - present
Mr Graeme Harris	2003 - present	Dr Douglas Sherman	2005 - present
Mr Sonal Herlekar	2022 - Present	Mr Gordon Taylor	1987 - present
Mrs Helen A Holman	1983 - present	Mrs Lois Taylor	1993 - present
Mr Stallone Joel	2022 - present	Mr Wayne Truong	2014 - present
Mr Barry Kilmartin	2003 - 2022	Professor Sen Sendjaya	2010 - present
Mr Paul Kress	2007 - present		

### Teaching Elders

Rev Phil Campbell	2021 - present	Rev Christian Tirtha	Indonesian Church
Rev Philip Court	2020 - present	Rev Andrew Wong	St Stephens/Mission 2023

### Managers

Dr Caroline Allinson	2018 - present	Miss Lauris Murnane	2010 - present
Ms Elizabeth Anderson	2022 - present	Mrs Jennifer Pilgrim	2009 - present
Mrs Margaret Conradi	2005 - present	Mr Sebert Ruddock	2021 - present
Dr Rosemary Fethers	2021 - present	Mrs Danise Sherman	2016 - present
Mrs Sirisha Joel	2021 - Present	Ms Rosalie Strother	2014 - present
Dr Elizabeth Lewis AM	2010 - present	Mrs Jodi Tregale	2007 - 2023
Mrs Margaret E Lowe	2016 - present		

### Session Clerk

Ms Rosalie Strother	2021 - present
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### Deputy Session Clerk

Dr Rosemary Fethers	2021 - present
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### Honorary Secretary

Dr Douglas Sherman	1997 - present
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### Honorary Treasurer

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 Management's 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 2023 is \$129,087 (2022 Deficit \$132,882).

### Changes in state of affairs

There were no significant changes to the state of affairs of The Scots' Church Investment & Special Purposes Fund during the financial year.

### 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 2023, no distributions were paid from the Investment & Special Purposes Fund (2022: \$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

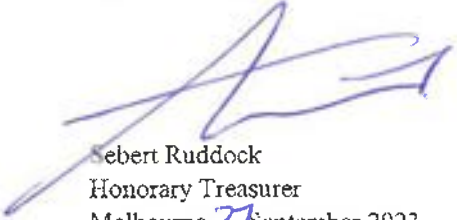
No person has applied to leave of court to bring proceedings on behalf of the Investment and Special Purposes Fund or intervene in any proceedings to which the Investment and Special Purposes Fund is a party for the purpose of taking responsibility on behalf of the Investment and Special Purposes Fund 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 members of the Board of Management



Sebert Ruddock  
Honorary Treasurer  
Melbourne, 27 September 2023

## 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 2023, 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 2023 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 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

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 and accounting policies 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.

- 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



Isabelle Lefevre  
Partner  
Chartered Accountants  
Melbourne, 27 September 2023

## Board of Management's declaration

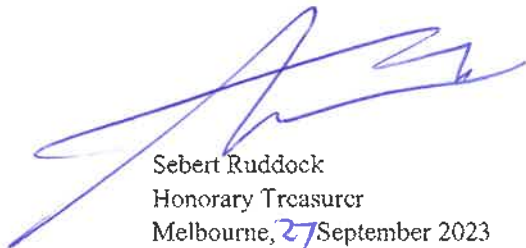
As detailed in Note 3 to the financial statements, the Investment & Special Purposes Fund is not a reporting entity because in the opinion of the Board of Management there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board of Management's reporting requirements.

The Board of Management declares that:

- (a) in the Board of Management'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 of Management's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving 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 members of the Board of Management.

On behalf of the members of the Board of Management



Sebert Ruddock  
Honorary Treasurer  
Melbourne, 27 September 2023

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	<u>Note</u>	<u>2023</u> <u>\$</u>	<u>2022</u> <u>\$</u>
<b>Income</b>			
Dividend income		146,724	213,140
Unrealised gain on revaluation of financial assets		82,771	-
Requests		-	37,007
Interest income		25,381	11,139
		<u>254,876</u>	<u>261,286</u>
<b>Expenses</b>			
Brokerage		(18,889)	(19,146)
Scholarship expenses (Indigenous students at Presbyterian Ladies College)		(40,991)	(79,933)
Loss on disposal of financial assets		(514)	(9,743)
Unrealised loss on revaluation of financial assets		-	(241,178)
Donations		(37,828)	(17,500)
Other expenses		(27,567)	(26,668)
		<u>(125,789)</u>	<u>(394,168)</u>
Surplus/(deficit) before tax		129,087	(132,882)
Income tax expense		-	-
<b>Surplus/(deficit) for the year</b>		<u>129,087</u>	<u>(132,882)</u>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<u>129,087</u>	<u>(132,882)</u>

The accompanying notes form part of these financial statements.

## Statement of financial position at 30 June 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	7(b)	367,751	39,874
Trade and other receivables	4	36,398	61,225
<b>Total current assets</b>		404,149	101,099
<b>Non-current assets</b>			
Investments	5	2,358,241	2,531,943
<b>Total non-current assets</b>		2,358,241	2,531,943
<b>Total assets</b>		2,762,390	2,633,042
<b>Current liabilities</b>			
Trade and other payables	6	19,546	19,285
<b>Total current liabilities</b>		19,546	19,285
<b>Total liabilities</b>		19,546	19,285
<b>Net assets</b>		2,742,844	2,613,757
<b>Equity</b>			
Accumulated funds		2,742,844	2,613,757
<b>Total equity</b>		2,742,844	2,613,757

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2023

	Accumulated funds \$	Total \$
Balance at 1 July 2021	2,746,639	2,746,639
Surplus for the year	(132,882)	(132,882)
<b>Total comprehensive loss for the year</b>	<b>(132,882)</b>	<b>(132,882)</b>
<b>Balance at 30 June 2022</b>	<b>2,613,757</b>	<b>2,613,757</b>
Balance at 1 July 2022	2,613,757	2,613,757
Surplus for the year	129,087	125,552
<b>Total comprehensive income for the year</b>	<b>129,087</b>	<b>125,552</b>
<b>Balance at 30 June 2023</b>	<b>2,742,844</b>	<b>2,739,309</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2023

	<u>Note</u>	<u>2023</u> <u>\$</u>	<u>2022</u> <u>\$</u>
<b>Cash flows from operating activities</b>			
Dividend income (including imputation credits received)		171,550	183,341
Bequests received		-	37,007
Payments to suppliers		(125,014)	(150,772)
Interest received		25,381	11,139
Net cash generated by operating activities	7(b)	71,918	80,715
<b>Cash flows from investing activities</b>			
Net proceeds from sale / (purchase of) investments		255,959	(53,683)
Net cash generated by / (used in) investing activities		255,959	(53,683)
<b>Cash flows from financing activities</b>			
Net cash from financing activities		-	-
<b>Net increase in cash and cash equivalents</b>		327,877	27,032
<b>Cash and cash equivalents at the beginning of the year</b>		39,874	12,842
<b>Cash and cash equivalents at the end of the year</b>	7(a)	367,751	39,874

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 2022. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

### 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024

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 2023 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.

### 3. Significant accounting policies (cont'd)

#### 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.

#### 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.

### 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 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.

##### 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.

**3. Significant accounting policies (cont'd)**  
**(c) Financial assets and Liabilities**

**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.

**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 2022, 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.

**3. Significant accounting policies (cont'd)**  
**(c) Financial assets and Liabilities**

**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.

**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.

### 3. Significant accounting policies (cont'd)

#### (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.

**The Scots' Church Investment & Special Purposes Fund**  
Notes to the financial statements

	2023 \$	2022 \$
<b>4. Trade and other receivables</b>		
Other receivables	36,398	61,225
	<u>36,398</u>	<u>61,225</u>
<b>5. Investments</b>		
Listed equities	1,418,579	1,354,814
Managed Funds	393,200	355,510
Fixed interest securities	546,562	821,619
	<u>2,358,341</u>	<u>2,531,943</u>
<b>6. Trade and other payables</b>		
Trade payables	2,713	19,285
Related party payable – 'The Scots' Church General Fund	7,333	-
Accruals	9,500	-
	<u>19,546</u>	<u>19,285</u>
<b>7. Cash and cash equivalents</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
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	367,751	39,874
<b>(b) Reconciliation of surplus / (deficit) for the year to net cash flows from operating activities</b>		
Surplus / (deficit) for the year	129,087	(132,882)
Net realised loss on disposal of investments	514	9,743
Unrealised loss / (gain) on revaluation of financial assets	(82,771)	241,178
<b>Movement in working capital:</b>		
Decrease / (increase) in assets:		
Trade and other receivables	24,826	(29,800)
(Decrease)/increase in liabilities:		
Trade and other payables	262	(7,524)
Net cash generated by operating activities	<u>71,918</u>	<u>80,715</u>

2023	2022
\$	\$

## 8. Commitments and contingencies

There were no commitments or contingent liabilities at 30 June 2023.

## 9. Auditor's remuneration

Audit of the financial statements	16,167	15,333
	<u>16,167</u>	<u>15,333</u>

The auditor of The Scots' Church Investment & Special Purposes Fund is Deloitte Touche Tohmatsu. The audit fees are paid by The Scots' Church General Fund.

## 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 entity, the results of those operations, or the state of affairs of the entity in future financial years.

**ICC Melbourne**

**(formerly the Scots' Church – Indonesian Church)**

**Special purpose financial report for the  
financial year ended 31 December 2022**

**ABN 269 922 71229**

# **Special purpose financial report for the year ended 31 December 2022**

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## Independent Auditor's Report to the Board of Management of ICC Melbourne

### Opinion

We have audited the financial report, being a special purpose financial report, of ICC Melbourne (the "Entity"), which comprises the statement of financial position as at 31 December 2022, 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, the accompanying financial report of the Entity presents fairly, in all material respects the Entity's financial position as at 31 December 2022 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 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 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



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 30 September 2023

## Board of Managements' declaration

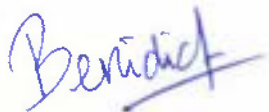
As detailed in Note 2 to the financial statements, ICC Melbourne is not a reporting entity because in the opinion of the Board of Management ("the Board") there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically 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 ICC Melbourne 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 ICC Melbourne.

Signed in accordance with a resolution of the Board.

On behalf of the Board



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Benidictus Jobeanto  
Honorary Treasurer

Melbourne, 30 September 2023

## Income and expenditure statement for the year ended 31 December 2022

	<u>Notes</u>	<u>2022 \$</u>	<u>2021 \$</u>
<b>Continuing operations</b>			
Revenue		193,426	155,034
Administration costs		(46,519)	(40,236)
Camp expenses		(22,532)	(17,349)
Remuneration		(89,328)	(71,456)
Surplus before tax		35,047	25,993
Income tax expense		-	-
<b>Net surplus for the year</b>		<u>35,047</u>	<u>25,993</u>

The accompanying notes form part of these financial statements.

## Statement of financial position at 31 December 2022

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
<b>Current assets</b>			
Cash and cash equivalents		330,852	295,805
<b>Total current assets</b>		330,852	295,805
<b>Total assets</b>		330,852	295,805
 <b>Current liabilities</b>			
Trade payables		56	56
<b>Total current liabilities</b>		56	56
<b>Total liabilities</b>		56	56
<b>Net assets</b>		330,796	295,749
 <b>Equity</b>			
Retained earnings		295,749	269,756
Net surplus for the year		35,047	25,993
<b>Total equity</b>		330,796	295,749

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 31 December 2022

	Retained Earnings \$	Total \$
Balance at 1 January 2021	269,756	269,756
Surplus for the year	25,993	25,993
<b>Balance at 31 December 2021</b>	<b>295,749</b>	<b>295,749</b>
Balance at 1 January 2022	295,749	295,749
Surplus for the year	35,047	35,046
<b>Balance at 31 December 2022</b>	<b>330,796</b>	<b>330,795</b>

The accompanying notes form part of these financial statements.

## 1. General information

On 17 February 2022, The Scots' Church – Indonesian Christian Church, changed its name to ICC Melbourne and obtained ABN 26 992 271 229.

ICC Melbourne's registered office and principal place of business are as follows:

ICC Melbourne  
1/156 Collins Street  
MELBOURNE VIC 3000

## 2. Significant accounting policies

### Financial reporting framework

ICC Melbourne 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, ICC Melbourne 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.

ICC Melbourne  
(formerly The Scots' Church – Indonesian Christian Church)  
Notes to the financial statements

	2022	2021
	\$	\$
<b>3. Revenue</b>		
Offering and tithe	169,184	139,454
Camp fees	17,989	13,373
Interest received	1,059	30
Other income	5,194	2,177
	<u>193,426</u>	<u>155,034</u>
<b>4. Cash and cash equivalents</b>		
Cash at bank	<u>330,852</u>	<u>295,806</u>

**5. Subsequent events**

No 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 2023**

# **Special purpose financial report for the financial year ended 30 June 2023**

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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 2023. 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
Mr 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 surplus for the financial year was \$48,326 (2022: \$80,843).

### Changes in state of affairs

There was no significant changes to the state of affairs of The Scots' Church Board of Management 63% interest in Assembly Hall 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 fund, the results of those operations, or the state of affairs of the fund in future financial years.

### 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.

## Trustees' report (cont'd)

### **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, 4 October 2023

## 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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and 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 2023 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 2022.

#### Basis for Opinion

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



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 4 October 2023

## 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, 4 October 2023

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	<u>Notes</u>	<u>2023 \$</u>	<u>2022 \$</u>
<b>Income</b>			
Rental income		270,645	226,037
		270,645	226,037
<b>Expenses</b>			
Cleaning		37,182	37,588
Insurance		54,475	51,863
Legal		8,951	2,001
Rates and taxes		53,082	29,461
Repairs and maintenance		56,009	10,627
Water and electricity		2,290	3,724
Other expenses	4	10,330	9,931
		222,320	145,194
<b>SURPLUS FOR THE YEAR</b>		<b>48,326</b>	<b>80,843</b>
 Other comprehensive income		 -	 -
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>48,326</b>	<b>80,843</b>

The accompanying notes form part of these financial statements.

## Statement of financial position at 30 June 2023

	<u>Notes</u>	<u>2023 \$</u>	<u>2022 \$</u>
<b>Current assets</b>			
Cash and cash equivalents	8	307,259	278,958
Other receivables	5	19,759	45,444
Prepayments		66,444	-
<b>Total current assets</b>		<u>393,462</u>	<u>324,402</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	<u>1,764,000</u>	<u>1,771,481</u>
<b>Total non-current assets</b>		<u>1,764,000</u>	<u>1,771,481</u>
<b>Total assets</b>		<u>2,157,462</u>	<u>2,095,883</u>
<b>Current liabilities</b>			
Trade and other payables	7	<u>25,592</u>	<u>12,339</u>
<b>Total current liabilities</b>		<u>25,592</u>	<u>12,339</u>
<b>Total liabilities</b>		<u>25,592</u>	<u>12,339</u>
<b>Net assets</b>		<u>2,131,870</u>	<u>2,083,544</u>
<b>Trust funds</b>			
Capital reserve		3,723,359	3,723,359
Accumulated losses		<u>(1,591,489)</u>	<u>(1,639,815)</u>
<b>Total trust funds</b>		<u>2,131,870</u>	<u>2,083,544</u>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2023

	Accumulated Funds/(losses) \$	Capital reserve \$	Total \$
Balance at 1 July 2021	(1,720,658)	3,723,359	2,002,701
Surplus for the year	80,843	-	80,843
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>80,843</b>	<b>-</b>	<b>80,843</b>
<b>Balance at 30 June 2022</b>	<b>(1,639,815)</b>	<b>3,723,359</b>	<b>2,083,544</b>
Balance at 1 July 2022	(1,639,815)	3,723,359	2,083,544
Surplus for the year	48,326	-	48,326
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>48,326</b>	<b>-</b>	<b>48,326</b>
<b>Balance at 30 June 2023</b>	<b>(1,591,489)</b>	<b>3,723,359</b>	<b>2,131,870</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows for the year ended 30 June 2023

	<u>Notes</u>	<u>2023</u> <u>\$</u>	<u>2022</u> <u>\$</u>
<b>Cash flows from operating activities</b>	8		
Rent received		315,869	243,713
Payments to suppliers		(287,568)	(142,064)
Net cash generated by operating activities		28,301	101,649
 <b>Cash flows from investing activities</b>			
Payment for plant and equipment		-	(7,481)
Net cash used in investing activities		-	(7,481)
 <b>Cash flows from financing activities</b>			
Net cash used in financing activities		-	-
 <b>Net increase in cash and cash equivalents</b>		28,301	94,168
<b>Cash and cash equivalents at the beginning of the year</b>		278,958	184,791
<b>Cash and cash equivalents at the end of the year</b>		307,259	278,958

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 2022. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

### 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024

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 2023 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.

### 3. Significant accounting policies (cont'd)

#### **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.

#### **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.

### 3. Significant accounting policies (cont'd)

#### (a) Income (cont'd)

- 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.

#### (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.

### 3. Significant accounting policies (cont'd)

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

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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. During 2023, no impairment of trade receivables has been recorded (2022: 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.

### 3. Significant accounting policies (cont'd)

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

##### **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.

##### **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 as heritage assets.

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.

### 3. Significant accounting policies (cont'd)

#### (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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>4. Other expense</b>		
Management fees	9,690	9,690
Miscellaneous	640	240
	<u>10,330</u>	<u>9,931</u>
<b>5. Other receivables</b>		
Other receivables	19,759	45,444
	<u>19,759</u>	<u>45,444</u>
<b>6. Property, plant and equipment</b>		
Assembly Hall, heritage asset	3,723,359	3,730,840
Provision for impairment Assembly Hall	(1,959,359)	(1,959,359)
<b>Total property, plant and equipment</b>	<u>1,764,000</u>	<u>1,771,481</u>
<b>7. Trade and other payables</b>		
<u>Current</u>		
Trade payables	-	11,081
GST payable	6,052	1,258
Rental income received in advance	19,539	-
	<u>25,592</u>	<u>12,339</u>
<b>8. Cash and cash equivalents</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
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	<u>307,259</u>	<u>278,958</u>

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

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>

**8. Cash and cash equivalents (cont'd)**

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

Surplus for the year	48,326	80,843
Reclassification 2022 provision façade to P&L	7,483	-
<b>Movement in working capital:</b>		
(Increase)/ decrease in assets:		
Other receivables	25,684	17,676
Prepayments	(66,444)	-
Increase/(decrease) in liabilities:		
Trade and other payables	13,252	3,130
Net cash generated by operating activities	28,301	101,649

**9. Auditor's remuneration**

Audit of the financial statements	12,650	12,100
	12,650	12,100

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 2023

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

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## 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 2023, 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 2023 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.

## **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**



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**Director: Kevin P. Adams**

**Dated this 27th day of September 2023**

**THE SCOTS' CHURCH PROPERTIES TRUST**  
**A.B.N. 89 115 098 913**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 \$
<b>Receipts</b>		
150 Collins Street Rental Income		1,216,482
150 Collins Street Council Rates		627,038
150 Collins Street Land Tax		263,375
150 Collins Street Water rates		67,612
162 Collins Street PPP Property Services - Rent Income (Net of COVID Rent Waivers, Abatements and Deferments)		1,750,665
162 Collins Street PPP Property Services - Lease Extension (Surrender Payment)		7,550,000
162 Collins Street PPP Property Services - Rental Income (Deferred Rent Paid Out)		519,378
162 Collins Street PPP Property Services Variable Outgoings		671,835
162 Collins Street Legal Fees		23,309
<b>Total Receipts</b>		<b><u>12,689,693</u></b>
<b>Payments</b>		
150 Collins Street Council Rates Expense		627,038
150 Collins Street Land Tax Expense		263,375
150 Collins Street Management Fee		63,072
150 Collins Street Trade Waste		178
150 Collins Street Water Rates Expense		66,863
150 Collins Water Consumption		6,804
Administration and Accounting		44,323
Allocation for Congregational Charge	2	167,175
Allocation for Stipend Scots' Ministers	2	176,386
Audit Fees		10,500
Bank Fees		928
Georges Audit/Accounting Fee		1,850
Georges Council Rates Expense		167,635
Georges Facility Management Fees		12,000
Georges Fees General		3,750
Georges Fire Protection - Essential Safety Measures		6,060
Georges Land Tax Expense		310,963
Georges Legal Fees Expense		57,764
Georges Management Fees		73,374
Georges Postage & Petties		96
Georges Professional Fees Expense		200,000
Georges R&M - General		20,425
Georges Water Rates Expense		62,808
Insurance - Directors & Office Bearers		50,765
Insurance - Public/Products Liability/ISR		575,727
Legal Expenses		1,754
Maintenance Georges		193,160
Miscellaneous Expenses		2,265
Good and Services Tax Net		26,790
<b>Total Payments</b>		<b><u>3,193,826</u></b>
<b>Total Receipts less Total Payments</b>		<b><u>9,495,867</u></b>

**THE SCOTS' CHURCH PROPERTIES TRUST**  
**A.B.N. 89 115 098 913**  
**DISTRIBUTION STATEMENT**  
**AS AT 30 JUNE 2023**

	NOTE	2023 \$
<b>2022/23 Rental Commission payable to Presbyterian Church of Victoria Trust Corp pursuant to Clause 4 of the Trust Deed</b>		
Rental income 2022/23 for Georges & 150 Collins St		11,036,524
Less Management fees/collection costs		<u>336,447</u>
<b>Total rental income 2022/23 less management fees/collection costs</b>		<b>10,700,077</b>
 2.5% of rental income less management fees/collection costs		 <u><b>267,502</b></u>
 Total Receipts less Total Payments		 9,495,867
Less 2.5% Rental Commission		<u>267,502</u>
<b>Total Receipts less Total Payments less Rental Commission(A)</b>		<b>9,228,365</b>
 Cash at Bank at 30 Jun 2023		 1,357,821
Term Deposit at 30 Jun 2023		<u>8,000,000</u>
		9,357,821
Less 2.5% Rental Commission		<u>267,502</u>
<b>Total Cash Funds</b>		<b>9,090,319</b>
 Cash Shortfall Between (A) & Total Cash Funds		 <u><b>(138,046)</b></u>
 Total Available for Distribution: (A) + Cash Shortfall		 <u><b>9,090,319</b></u>
 Distributions payable pursuant to sixthly provision of Clause 7 of the Trust Deed		
a. The Scots' Church Building, Maintenance & Improvements Fund		4,545,160
b. Presbyterian Church of Victoria Trust Corporation		<u>4,545,160</u>
<b>Total Distributions Payable</b>		<b>9,090,319</b>

# 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 2022/23 relating to 2021/22

Presbyterian Church of Victoria Trusts Corporation Rental Commission	\$ 83,902
Distribution to The Scots' Church Building, Maintenance & Improvements Fund	\$ 1,013,371
Distribution to the Presbyterian Church of Victoria Trust Corporation	<u>\$ 1,013,371</u>
Total Distributions Paid	<u>\$ 2,110,644</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.

A handwritten signature in blue ink, appearing to be 'P. J. Kent', is written over a horizontal line.

On behalf of the Trustees.

Dated this 29<sup>th</sup> day of September 2023

# THE SCOTS' CHURCH PROPERTIES TRUST

A.B.N. 89 115 098 913

## TRUSTEES' REPORT

The financial year ended 30th June 2023 has been a year of highs and lows for the SCPT the resignation of long-standing Trustee Mr Jim Nuske due to ill health was certainly the low point of the year.

Jim had been a Trustee since 1997 and had served the Trust with distinction during his tenure, none more evident than during the infamous court case brought against the Trustees by the PCV, and on behalf of the Trustees I want to publicly thank Jim for his outstanding service to the Trust.

Jim's business acumen and insight are going to be sorely missed going forward, the election to fill the vacancy has already been held and we look forward to welcoming the incoming Trustee when their appointment is confirmed by the Governor in Council, hopefully in the not-too-distant future.

The high point of the year comes from the Trusts operations as a commercial landlord, after the severe impact of lockdowns and government mandated rent relief for commercial tenants that resulted in reduced income for the Trust over the last couple of years especially from the Georges Building, the Trustees are delighted to announce that during the financial year they have renegotiated the lease with the Head Tenant of the Georges building which has seen a new lease with a 50 year term entered into with an upfront rent payment of \$7,550,000.00 paid to the Trustees.

In addition, all of the outstanding deferred rent from the government mandated Covid 19 rent relief that was still outstanding from the old lease being paid, this means that as a result the beneficiaries of the Trust, namely the Scots' Church Board of Management and the PCV Home Missions and Extension Committees will receive substantially larger than normal distributions this year to assist them with their endeavours.

The major repairs to the façade of the Georges building which had been seriously delayed have now been completed.

We look forward to the new financial year in which we will see a new Trustee appointed and hopefully some normality will return and reflect more consistent distributions to our beneficiaries.

The Trustees wish to thank Mr Murray Hirst for all his work in the position of ex officio Secretary of the Trust. His contribution is much appreciated as is that of Mr Michael Ridler and the team at Fitzroys the Trusts property managers, especially for their hard work and advice during the lengthy negotiations for the new Georges lease.



Paul L Kerss  
Chairman

27 September 2023

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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 2023.

The Trustees acted for the following Trusts in the financial year ended 30 June 2023:

**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 – 5 May 2023
Mrs. Jennifer Pilgrim	30 January 2023 - present

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 Harreaves 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.

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

**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 \$549,501 (2022: \$(172,785)).

**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.

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

**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**



**Mr. Paul Lindsay Keress**  
**Chairman**  
**Melbourne, 29 August 2023**

## 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 2023, 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:

- o giving a true and fair view of the Trust's financial position as at 30 June 2023 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 29th day of August 2023**

**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



**Mr. Paul Lindsay Keress**  
**Chairman**  
**Melbourne, 29 August 2023**

**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 2023**

	Note	2023 \$	2022 \$
<b>Income</b>			
Interest income		65,902	27,774
Dividends received		286,921	497,040
Net realised and unrealised gain/(loss) on investments		330,163	(569,029)
Gain on sale of shares		19,072	3,789
Other income		12,236	-
		<u>714,294</u>	<u>(40,426)</u>
<b>Expenses</b>			
Bank charges		(2)	(4)
Donations	4	(100,953)	(75,293)
Investment expenses		(48,056)	(47,096)
Other expenses		(15,782)	(9,966)
		<u>(164,793)</u>	<u>(132,359)</u>
<b>SURPLUS/(LOSS) FOR THE YEAR</b>		<u>549,501</u>	<u>(172,785)</u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>549,501</u>	<u>(172,785)</u>

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 2023**

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	9(a)	678,403	675,035
Trade and other receivables	5	93,432	155,281
<b>Total current assets</b>		<u>771,835</u>	<u>830,316</u>
<b>Non-current assets</b>			
Other financial assets	6	6,928,453	6,320,366
Property, plant and equipment	7	-	-
<b>Total non-current assets</b>		<u>6,928,453</u>	<u>6,320,366</u>
<b>Total assets</b>		<u>7,700,288</u>	<u>7,150,682</u>
<b>Current liabilities</b>			
Trade and other payables	8	23,563	23,458
<b>Total current liabilities</b>		<u>23,563</u>	<u>23,458</u>
<b>Total liabilities</b>		<u>23,563</u>	<u>23,458</u>
<b>Net assets</b>		<u>7,676,725</u>	<u>7,127,224</u>
<b>Trust funds</b>			
Accumulated funds		7,676,725	7,127,224
<b>Total trust funds</b>		<u>7,676,725</u>	<u>7,127,224</u>

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 2023**

	<b>Accumulated funds</b>
	<b>\$</b>
Balance at 1 July 2021	7,300,009
Loss for the year	(172,785)
Total comprehensive income for the year	(172,785)
<b>Balance at 30 June 2022</b>	<b>7,127,224</b>
Balance at 1 July 2022	7,127,224
Surplus for the year	549,501
Total comprehensive income for the year	549,501
<b>Balance at 30 June 2023</b>	<b>7,676,725</b>

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 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Dividends and other investment income received		305,883	501,291
Interest received		65,902	27,774
Franking credits and withholding tax refunded		55,123	(81,612)
Payments to suppliers and employees		(164,688)	(132,743)
Net cash generated by operating activities	9(b)	262,220	298,586
<b>Cash flows from investing activities</b>			
Purchases of financial assets		(775,684)	(1,161,102)
Proceeds from sale of financial assets		516,832	823,488
Net cash generated by/ (used in) investing activities		(258,852)	(337,614)
<b>Cash flows from financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		3,368	(39,028)
<b>Cash and cash equivalents at the beginning of the year</b>		675,035	714,063
<b>Cash and cash equivalents at the end of the year</b>	9(a)	678,403	675,035

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 2023**

**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 2023**

**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 2023**

**(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 2023**

**(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 2023**

	2023	2022
	\$	\$
<b>4. Donations</b>		
<b>The Royal Flying Doctor</b>		
The Royal Flying Doctor	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<b>Medical Pantry</b>		
Support	10,000	-
	<u>10,000</u>	<u>-</u>
<b>Youth Ministry</b>		
Sponsorship of Scots' Church Youth Ministry	14,295	11,415
	<u>14,295</u>	<u>11,415</u>
<b>Sponsorship</b>		
Sponsorship of Harrison Sawyer	6,000	12,000
	<u>6,000</u>	<u>12,000</u>
<b>Australian National Academy of Music</b>		
Music Scholarship for Oliver Crofts	2,626	7,878
	<u>2,626</u>	<u>7,878</u>
<b>St Stephens Flemington</b>		
Rev A Wongs Remuneration	-	18,000
	<u>-</u>	<u>18,000</u>
<b>Health, Community and Chaplaincy Committee</b>		
Paediatric Chaplaincy of the HCCC	15,000	-
	<u>15,000</u>	<u>-</u>
<b>Presbyterian Inland Mission</b>		
Support	10,000	-
	<u>10,000</u>	<u>-</u>
<b>CMS Victoria - Vinicombes</b>		
Support to Kate Vinicombe	25,000	-
	<u>25,000</u>	<u>-</u>
<b>ICC Melbourne</b>		
Support for launch costs of the International Christian Church	5,000	-
	<u>5,000</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>Mission Partners</b>		
Support for Mission Partner Program	3,032	-
	<u>3,032</u>	<u>-</u>
 <b>Zimbabwe CCAP</b>		
Zimbabwe CCAP Supporters - College	-	15,000
Zimbabwe CCAP Supporters - General	-	5,000
	<u>-</u>	<u>20,000</u>
 <b>Total Donations</b>	<u>100,953</u>	<u>75,293</u>
 <b>5. Trade and other receivables</b>		
Franking credits recoverable	67,783	122,906
Other receivables	25,649	28,756
Dividends receivable	-	3,619
	<u>93,432</u>	<u>155,281</u>
 <b>6. Other Financial Assets</b>		
<i>Financial assets carried at fair value through profit or loss (FVTPL)</i>		
Listed equities	6,928,453	6,320,366
	<u>6,928,453</u>	<u>6,320,366</u>
 <b>7. Property plant and equipment</b>		
Motor vehicles – at cost	19,799	19,799
Accumulated depreciation	(19,799)	(19,799)
	<u>-</u>	<u>-</u>
 Equipment – at cost	5,499	5,499
Accumulated depreciation	(5,499)	(5,499)
	<u>-</u>	<u>-</u>
 <b>8. Trade and other payables</b>		
Trade payables	-	12,958
Accrued expenses	23,563	10,500
	<u>23,563</u>	<u>23,458</u>

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

	2023	2022
	\$	\$
<b>9. Cash and cash equivalents</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
Cash at bank	243,394	230,120
Cash trust	161,868	175,344
Short term deposits	273,141	269,571
	<u>678,403</u>	<u>675,035</u>
<b>(b) Reconciliation of surplus/(loss) for the year to net cash flows from operating activities</b>		
Surplus/(loss) for the year	549,501	(172,785)
Net unrealised (gain)/loss on financial assets	(330,163)	569,029
(Gain) on sale of shares	(19,072)	(3,789)
<b>Movement in working capital:</b>		
(Increase)/decrease in assets:		
Trade and other receivables	61,849	(75,485)
Increase/(decrease) in liabilities:		
Trade and other payables	105	(18,384)
Net cash generated by operating activities	<u>262,220</u>	<u>298,586</u>

**10. Commitments and Contingencies**

The Trust does not have any material commitments or contingent liabilities as at 30 June 2023.

**11. Auditors remuneration**

Audit of the financial statements	11,250	10,500
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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.

# **Presbyterian & Scots' Church Joint Mission Inc.**

**Reg No A0026604L**

## **Financial Statements**

**For the Year Ended 30 June 2023**

**Presbyterian & Scots' Church Joint Mission Inc.**

Reg No. A0026604L

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**30 June 2023**

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**Presbyterian & Scots' Church Joint Mission Inc.**

Reg No. A0026604L

**Income Statement**

For year ended 30 June 2023

	2,023 \$	2022 \$
<b>INCOME</b>		
Annuity	1,000	1,000
Donation/Gift Income	19,755	17,500
Bank Interest	12	2
Bequest	0	100
Interest from Funds held in Trust	2,827	851
Redeemed from Trust Funds	0	6,000
Grant Income	0	13,570
<b>TOTAL INCOME</b>	<b>23,594</b>	<b>39,023</b>
<b>EXPENDITURE</b>		
Depreciation Expenses	1,818	2,397
Auditors Remuneration	845	825
Utilities	4,801	388
Stipend Contribution	19,097	37,410
General Expenses	7,058	16,421
<b>TOTAL EXPENDITURE</b>	<b>33,619</b>	<b>57,441</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(10,025)</b>	<b>(18,418)</b>
Retained surplus at the beginning of the financial year	<b>236,479</b>	
Retained surplus at the end of the financial year	<b>226,454</b>	

The accompanying notes form part of these financial statements

**Presbyterian & Scots' Church Joint Mission Inc.**

Reg No. A0026604L

**Balance Sheet**

As at 30 June 2023

	2023 \$	2022 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash & cash equivalents	16,027	16,936
Investments	175,717	182,717
Other receivables	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>191,744</b>	<b>199,653</b>
<b>NON CURRENT ASSETS</b>		
Fixed Assets (Furniture & Office Equipment)	714	1,020
Fixed Asset (Kitchen Equipment)	3,528.82	5,041
Building Improvements	30,350	30,350
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,593</b>	<b>36,411</b>
<b>TOTAL ASSETS</b>	<b>226,337</b>	<b>236,064</b>
<b>LIABILITIES</b>		
Total GST Liabilities/(Refund Due)	(117)	(415)
<b>TOTAL LIABILITIES</b>	<b>(117)</b>	<b>(415)</b>
<b>MEMBER'S FUNDS</b>		
Accumulated Funds	236,479	254,897
Current Year Surplus/(Deficit)	(10,025)	(18,418)
<b>TOTAL MEMBER'S FUNDS</b>	<b>226,454</b>	<b>236,479</b>

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 2023

	2023	2022
	\$	\$
<b>McFarlane Fund</b>		
<b>NAB - Fixed Income Bond</b>		
Opening Balance	26,362	26,257
Interest Received	66	105
Interest Transferred to General Account	(110)	0
<b>Closing Balance</b>	<b>26,318</b>	<b>26,362</b>

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	25	40
Interest Transferred to General Account	(25)	(40)
<b>Closing Balance</b>	<b>10,000</b>	<b>10,000</b>

##### **Commonwealth Term Deposit xxx8083**

Opening Balance	7,943	13,887
Interest Re-investment	61	56
Funds Transferred to General Account	0	(6,000)
<b>Closing Balance</b>	<b>8,004</b>	<b>7,943</b>

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
<b>Closing Balance</b>	<b>1,540</b>	<b>1,540</b>

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 2023**

### **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 comprise 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 2023 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 twenty-sixth day of September 2023

## **MJC Accountancy & BAS Services**

ABN 41 848 010 156

### **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 2023, 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 2023, 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

4 September 2023

**Profit & Loss Statement**

July 2022 To June 2023

ABN: 78 971 273 244

Income this Year		
Donation/Gift Income	\$19,755.55	
Annuity	\$1,000.00	
Interest from Trust Account	\$25.00	
Interest from Term Deposit	\$2,801.59	
Bank Interest	\$12.31	
<b>Total Income this Year</b>		<b>\$23,594.45</b>
<b>Total Cost Of Sales</b>		<b>\$0.00</b>
<b>Gross Profit</b>		<b>\$23,594.45</b>
Expenses this Year		
General Expenses		
Accounting/Bookkeeping Fees	\$845.00	
Advertising & Marketing	\$305.45	
Community Donations	\$40.00	
PCV Appeals	\$1,000.00	
Support - Pharmacy Expenses	\$410.35	
Food & Supplies	\$5,051.06	
Newspapers	\$68.36	
Cleaning Expenses	\$89.14	
Gas Expenses	\$490.82	
Electricity Expenses	\$4,310.60	
Health & Safety	\$93.84	
<b>Total General Expenses</b>		<b>\$12,610.78</b>
Payroll Expenses		
Wages & Salaries Expenses	\$19,096.50	
<b>Total Payroll Expenses</b>		<b>\$19,096.50</b>
Depreciation Expenses		
Furniture Depreciation	\$284.00	
Office Equipment Depreciation	\$22.00	
Kitchen Equipment Depreciation	\$1,512.00	
<b>Total Depreciation Expenses</b>		<b>\$1,818.00</b>
<b>Total Expenses this Year</b>		<b>\$33,619.12</b>
<b>Operating Profit</b>		<b>-\$10,024.67</b>
<b>Total Other Income</b>		<b>\$0.00</b>
<b>Total Other Expenses</b>		<b>\$0.00</b>
<b>Net Profit/(Loss)</b>		<b>-\$10,024.67</b>

This report includes Year-End Adjustments.

**Balance Sheet**

As of June 2023

ABN: 78 971 273 244

**Assets**

<b>Current Assets</b>		
<b>Bank Accounts</b>		
General Account	\$12,471.06	
less Memorial Endow't Fund	-\$1,540.00	
Stipend Account	\$108.12	
Schools Account	\$1,035.84	
Contingency Account	\$654.45	
Petty Cash	\$225.20	
Debit Card M Conradi	\$1,684.96	
Debit Card R Fethers	\$1,387.68	
<b>Total Bank Accounts</b>		<b>\$16,027.31</b>
<b>Term Deposit Accounts</b>		
Term Deposit Acc xxx8091	\$175,717.25	
<b>Total Term Deposit Accounts</b>		<b>\$175,717.25</b>
<b>Total Current Assets</b>		<b>\$191,744.56</b>
<b>Non-Current Assets</b>		
<b>Furniture</b>		
Furniture At Cost	\$1,582.76	
Accum. Depr. Furniture	-\$920.00	
<b>Total Furniture</b>		<b>\$662.76</b>
<b>Office Equipment</b>		
Office Equipment at WDV	\$304.17	
Accum. Depr. Office Equipment	-\$253.00	
<b>Total Office Equipment</b>		<b>\$51.17</b>
<b>Kitchen Equipment</b>		
Kitchen Equipment At Cost	\$8,471.82	
Accum. Depr. Kitchen Equipment	-\$4,943.00	
<b>Total Kitchen Equipment</b>		<b>\$3,528.82</b>
<b>Buildings</b>		
Building Improvements	\$30,350.00	
<b>Total Buildings</b>		<b>\$30,350.00</b>
<b>Total Non-Current Assets</b>		<b>\$34,592.75</b>
<b>Total Assets</b>		<b>\$226,337.31</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>GST Liabilities</b>		
GST Paid	-\$116.72	
<b>Total GST Liabilities</b>		<b>-\$116.72</b>
<b>Total Current Liabilities</b>		<b>-\$116.72</b>
<b>Total Liabilities</b>		<b>-\$116.72</b>
<b>Net Assets</b>		<b>\$226,454.03</b>
<b>Member's Funds</b>		
Accumulated Funds	\$236,478.70	
Current Year Surplus/(Deficit)	-\$10,024.67	
<b>Total Member's Funds</b>		<b>\$226,454.03</b>

This report includes Year-End Adjustments.

**The Scots' Church PWMU Financial Statement  
Twelve months ended 30th June, 2023**

2023

ANZ Term Deposits		37,000-00
Commonwealth Bank of Australia Term Deposit		10,000-00
BankFirst		3,915-78
		<u>50,915-78</u>

**Receipts**

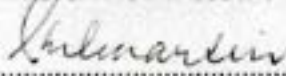
Bank Interest	90-28	
Donation	<u>100-00</u>	190-28
		<u>51,106-06</u>

**EXPENDITURE**


Presbyterian Inland Mission	1,000-00	
APWM	1,000-00	
Presbyterian & Scots' Church Joint Mission Inc	1,000-00	
A & F Canavan	1,000-00	
Bank Cheque	10-00	
PWMU Bursary for South Sudan Pastor Training	20,000-00	
Orbus School Malawi	20,000-00	
PWMU of Victoria	<u>7,096-06</u>	<u>51,106-06</u>

**Total as at June, 2023**

J. Kilmartin Hon Treasurer

  
.....

Audited and found correct

  
.....  
G W Holman FCPA Hon Auditor

