

Narellan Community Congregational Church
ABN: 14 860 735 810
ANNUAL FINANCIAL REPORT
31 December 2023

Narellan Community Congregational Church

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Chairperson's Report

2023 at Narellan Community Congregational Church saw 8 new memberships (some having returned after being away), 2 baptisms and an infant dedication. There was some increased interest in connect groups with several groups running during the day and on evenings.

Forge kids had regular program during our Sunday service as well as a kid's spot within the service, and the crèche room has been refreshed.

Forge women have continued with the Craft Circle, and Sisters United have organised several fellowship activities bi-monthly on a Thursday night and Saturday outings and activities, with a high tea attracting 41 participants to the event.

Forge Men have partnered with Mentoring Men Australia and hosted breakfast outreach events and fellowship activities around golf and lawn bowls and fireside chats with Guest speakers.

Within the church walls, 5 events (among others) have been well supported with 60 people at Maundy Thursday Dinner, 90 people at our Mother's Day and Father's Day Café Church Services, 70 people at our Church Anniversary Dinner, all with great entertainment and delicious food and finally our Christmas Eve and Christmas Day Services.

The year ended with a significantly reduced deficit compared to expectations. This was due to a number of factors, including increased giving (\$14,000 more than expected). A grant from the Property Trust that was partially expensed with the remainder to be used during the 2024 year. Some cost savings strategies were also implemented, reducing our expected deficit from around \$50,000 to just below \$10,000.

Heading into 2024, we have secured an increase to the hire of our facility, generating modest income and attempted further cost reduction strategies. As our Congregation grows, the hope is to produce a balanced budget within the next few years.

David Turner

Chairman and Treasurer

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Statement by the Leadership Team

1. In the opinion of the Leadership Team of Narellan Community Congregational Church:
 - a. Has determined that Narellan Community Congregational Church is a non-reporting entity and that the Annual Financial Report is a special purpose report; and
 - b. The Annual Financial Report and notes Narellan Community Congregational Church are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2023 and its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not for Profits Commission Regulations 2022*; and
 - c. There are reasonable grounds to believe Narellan Community Congregational Church will be able to pay its debts as and when they become due and payable.

Yours sincerely,



Mr David Turner
Church Treasurer
Narellan Community Congregational Church

Dated at Narellan, NSW

This the 15 day of SEPT 2024

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Auditor's Independence Declaration

In accordance with requirements of Sec 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act), the Committee of Narellan Community Congregational Church:

I declare that to the best of my knowledge and belief, during the year ended 31 December 2023 there have been;

- I. No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit, and
- II. No contraventions of any applicable code of professional conduct in relation to the audit.

Greg Huggett & Co
Chartered Accountant



G W Huggett
Registered Company Auditor 1828
7/83 Mulga Road, Oatley West NSW 2223

Dated this 2nd day of September 2024 at Oatley West

Liability limited by a scheme approved under Professional Standards Legislation

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Narellan Community Congregational Church
Independent Audit Report to the Committee

Opinion

I have audited the accompanying financial statements of Narellan Community Congregational Church (Registered entity) which comprises of Income Statement, Balance Sheet, Statement of Cash Flows, Note 1 & 2 Accounting policies, Notes to Financial accounts and Statement by Committee.

In my opinion, the accompanying Financial Report of the Registered Entity is in accordance with Division 60 of the *Australian Charities and Not-For-Profit Commission Act 2012* (ACNC Act), including;

- i. Giving a true and fair view of the Registered Entity's financial position as at 31 December 2023 and of its financial performance for the year then ended, and;
- ii. Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-For-Profits Commission Regulation 2022*.

Limitation of Scope

The Audit is confined to an examination of funds receipted by the Registered Entity. It is impractical for an Audit to cover all funds received by or in constructive Trust of the registered Entity until such times, as it is clearly reported. My Audit opinion is on this basis.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Report section of the Report. I am independent of the Registered Entity in accordance with the Ethical Requirements of the Accounting Professional and Ethical Standards Board APES 110; Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the Financial Report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Other Information other than the Financial Report and Auditor's Report Thereon

The Registered Entity is responsible for the other information. The other information comprises of information included in the Registered Entity's annual report for year ended 31 December 2023 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

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Independent Audit Report to the Committee (cont.)

Responsibility of the Committee for the Financial Report

The Committee of the Registered Entity is responsible for the preparation and fair presentation of the financial report in accordance with *Australian Accounting Standards* and the *ACNC Act* and for such internal control as the responsible entity determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Committee is responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entity either intends to liquidate or cease operations, or have no realistic alternative but to do so.

The Committee is responsible for the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

My 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 my 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.

Independence

I confirm that the Independence Declaration required by the ACNC Act, which has been given to the responsible entity will be the same terms if given to the responsible entity at the date of this auditor's report.

Report on Other Legal Regulatory Requirements

There are no known other legal and regulatory reporting requirements.



G W Huggett
Registered Company Auditor 1828
Greg Huggett & Co
Chartered Accountant
ABN: 33 155 958 377
7/83 Mulga Road, Oatley West NSW 2223

Dated this 25th day of SEPTEMBER 2024 at Oatley West

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Income Statement for the year ending 31 December 2023

	Note	2023	2022
<u>INCOME</u>			
Offerings		154,528	116,733
Pastoral Ministry Income		3,236	14,618
Hospitality Income		2,766	1,629
Local Outreach	12	1,363	4,166
Mission Income	13	673	9,487
Property Income	15	35,442	28,611
WASPS		-	-
Government & Other Grants		10,000	-
Interest Income	10	862	130
TOTAL INCOME		208,870	175,374
<u>EXPENSES</u>			
Electricity & Water		3,508	2,851
Depreciation		8,457	11,989
Insurance		1,473	4,252
Music, Sound & Stage		1,011	2,659
Photocopier & Printing		1,364	1,195
Telephone, Internet & IT		3,884	6,651
General Office		4,863	4,603
Pastoral Ministry		1,609	10,119
Motor Vehicle		-	-
Local Outreach	12	6,347	6,816
Mission Support	13	10,687	16,874
Employment Expenses	14	113,112	110,440
Property Expenses	15	57,473	59,758
WASPS		-	1,217
Sundry		1,895	1,121
TOTAL EXPENSES		215,683	240,545
OPERATING SURPLUS/(DEFICIT)		(6,813)	(65,171)
<u>NON-RECURRING INCOME</u>			
TOTAL NON-RECURRING INCOME		-	-
TOTAL SURPLUS/(DEFICIT)		(6,813)	(65,171)
Surplus/(Deficit) Brought Forward 1 January		147,075	212,246
Retained Surplus/(Deficit)		140,262	147,075

To be read in conjunction with notes to the Financial Statements

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Balance Sheet as at 31 December 2023

	Note	2023	2022
<u>FUNDS</u>			
Retained Surplus/(Deficit)		140,262	147,075
		140,262	147,075
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash & Cash Equivalents	9	88,985	128,446
Trade and other receivables	8	8,539	3,727
Financial Assets	10	30,000	-
		127,524	132,173
<u>NON CURRENT ASSETS</u>			
Fixed Assets		54,835	49,901
Less Acc. Depreciation		(32,169)	(23,713)
		22,666	26,188
TOTAL ASSETS		150,190	158,361
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Trade and other Payables	11	379	3,421
Payroll Payables		9,549	7,865
TOTAL LIABILITIES		9,928	11,286
NET ASSETS		140,262	147,075

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Statement of Cash Flow for the year ended 31 December 2023

	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		212,596	165,150
Interest		862	130
Government and other Grants		-	-
Payment to Employees		(110,766)	(108,253)
Payments to Suppliers		(106,725)	(106,291)
Net Cash Flow from Operating Activities		(4,033)	(49,264)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Investments		-	3,200
Purchase Investments		(30,000)	-
Purchase Plant & Equipment		(5,428)	(3,024)
Construction Activities		-	-
Net Cash Flow from Investing Activities		(35,428)	176
CASH FLOW FROM FINANCING ACTIVITIES			
Financing Activity		-	-
Net Cash Flow from Financing Activities		-	-
Net Increase/(Decrease) in Cash & Cash Equivalents		(39,461)	(49,088)
Cash & Cash Equivalents at Beginning of Year		128,446	177,534
Cash & Cash Equivalents at End of Year	9	88,985	128,446

To be read in conjunction with notes to the Financial Statements

Narellan Community Congregational Church

Notes to the Financial Statements

For the Year Ended 31 December 2023

Note 1: Statement of Significant Accounting Policies

A. Basis of Preparation

The (NSW) Hunters Hill Congregational Church Property Trust Act 2013 No 67 bestows the status of statutory corporation on the Hunters Hill Congregational Church Property Trust and recognises that at date of assent the Trust was made up of two congregations (Hunters Hill Congregational Community Church and Narellan Community Congregational Church).

The attached financial statements of Narellan Community Congregational Church (NCCC) are a special purpose financial report as the entity is non-reporting and does not have to adhere to Australian Accounting Standards. The report is prepared for the requirements of the Church Meeting of NCCC, as well as the board of Hunters Hill Congregational Church Property Trust (as described above). It has not been prepared for any other purposes, or with any other persons in mind.

The financial statements have been prepared on the basis of historical costs.

The accrual method of accounting has been adopted.

B. Depreciation

The Church's building is owned by the Hunters Hill Congregational Church Property Trust (HHCCPT), the Trust Rules accord HHCCPT's two congregations (including Narellan Community Congregational Church) a beneficial interest in the properties used by the congregations. With respect to NCCC, as at 31 December 2023 the congregational trust property included the church located at Unit 4, 38 Exchange Parade, Smeaton Grange and the previous manse at 18 Borrowdale Close, Narellan.

Motor vehicles, fixtures, fittings, plant and equipment are subject to depreciation at rates between 20% and 25% per annum diminishing value.

C. Superannuation

Superannuation has been paid in accordance with legal requirements.

D. Taxation

Narellan Community Congregational Church is exempt from income tax.

E. Investments

Investments are valued at cost for Balance Sheet purposes. Where the value of the investment is less than book value, then that investment is written down in the books of account.

F. Leave Provisions

The Annual Leave Provision is recognised as a current liability and Long Service Leave Provision is recognised after an employee has completed five (5) years of service.

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Notes to the Financial Statements (cont.)

For the Year Ended 31 December 2023

G. Goods & Services Tax (GST)

Income, expenses and assets are recognised net of GST, except where GST is not recoverable from the Australian Taxation Office. In this circumstance GST is recognised as part of the cost of the asset or expense.

H. Income

Income from offerings, donations and the like is recognised when received.

Interest income is recognised when receivable.

All income is net of GST where applicable.

Note 2: Legal Status

The Hunters Hill Congregational Church Property Trust and its congregation, Narellan Community Congregational Church, are recognised by the Hunters Hill Congregational Church Property Trust Act (NSW) 2013 No. 67.

Note 3: Segment/industry

NCCC operates as a local church congregation in Narellan, NSW.

Note 4: Loans -- Related Parties

As at 31 December 2023 the Church had no loans with related parties.

Note 5: Commitments

As at 31 December 2023 the Church had no outstanding commitments.

Note 6: Contingencies

No significant contingent liabilities are known to exist at the date of this report.

Note 7: Events after Balance Sheet date

No after balance date events are known to have occurred at the date of this report.

Note 8: Trade and other Receivables

	2023	2022
Trade Debtors	2,341	3,111
Prepaid Expenses	5,212	-
GST Receivable	986	616
	8,539	3,727

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Notes to the Financial Statements (cont.)

For the Year Ended 31 December 2023

Note 9: Cash and Cash Equivalents

	2023	2022
ANZ Operating Account	62,223	38,019
ANZ Payroll Account	7,617	41,256
ANZ Online Saver	18,555	48,101
ANZ Debit Card	590	1,070
	<u>88,985</u>	<u>128,446</u>

Note 10: Financial Assets

The investment is with La Trobe Financial, in their Classic Notice Account. Interest income is based on a variable rate of return which is reviewed, calculated and received monthly. Access to funds is available 2 business days after redemption request.

Note 11: Trade and other Payables

	2023	2022
Trade Creditors	-	-
GST Payable	379	31
Accrued Expenses	-	3,390
	<u>379</u>	<u>3,421</u>

Note 12: Local Outreach

Income	2023	2022
Playgroup	302	2,143
Forge Men & Women	1,061	2,023
	<u>1,363</u>	<u>4,166</u>
Expenses		
Playgroup	476	1,963
Forge Men & Women	871	740
Benevolence	-	3,795
Sunday School	-	318
Fellowship of Congregational Churches Donation	5,000	-
	<u>6,347</u>	<u>6,816</u>

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Notes to the Financial Statements (cont.)

For the Year Ended 31 December 2023

Note 13: Mission Support

Income	2023	2022
5 Cent Jar	127	581
Other Mission Support	306	1,504
Philippines Mission	-	5,378
Special Mission Projects	240	2,024
	<u>673</u>	<u>9,487</u>
Expenses		
5 Cent Jar	707	-
Other Mission Support	7,078	7,717
Craig Ballinger Support	-	-
Philippines Mission	1,596	8,517
Special Mission Projects	1,000	-
Operations Christmas Child	306	640
	<u>10,687</u>	<u>16,874</u>

Note 14: Employment Expenses

	2023	2022
Pastoral Salary	68,716	66,790
Housing Allowance	14,040	14,040
Car/Travel Allowance	17,461	17,461
Workers Compensation	661	1,177
Annual & Long Service Leave	1,460	897
Superannuation	10,774	10,075
	<u>113,112</u>	<u>110,440</u>

Narellan Community Congregational Church***Notes to the Financial Statements (cont.)******For the Year Ended 31 December 2023*****Note 15: Property**

Income	2023	2022
Facility Hire	7,341	1,650
6 Norfolk Blvd Rent	28,101	26,961
	<u>35,442</u>	<u>28,611</u>
Expenses		
6 Norfolk Blvd Expenses	5,592	4,481
Cleaning/Waste Bin	3,949	4,227
Building Contribution Fee - HHCCPT	36,000	36,000
Manse & Buildings Maintenance	1,764	1,492
Strata Fees	10,168	13,558
	<u>57,473</u>	<u>59,758</u>

On 5 March 2019, at the Board meeting for HHCCPT and connected congregations and ministries, it was agreed to accept the request from NCCC for it to receive the net rental income from HHCCPT for Norfolk Blvd. In return, it was agreed for HHCCPT to receive the net rental income for Borrowdale Close. The commencement of this arrangement occurred July-August 2019.

In May 2010, the church premises for NCCC namely, Shop 4/38 Exchange Parade Smeaton Grange was predominantly funded by HHCCPT to an amount of \$870,235. At the time it was agreed this would be repaid by NCCC via monthly repayments of \$3,000 which included interest.

At the 4 December 2018 AGM for HHCCPT this arrangement was subsequently adjusted such that all related party loans would be forgiven and the \$3,000 monthly repayment would be reclassified as 'Building Contribution' with the final payment due 27 June 2029.