

REACH OUT



COMMUNITY OF CHRIST LTD 2017 FINANCIAL REPORT



Community of Christ

12 TAYLOR ST, WEST PENNANT HILLS NSW 2125

ANNUAL FINANCIAL REPORT

COMMUNITY OF CHRIST LTD
ABN 58 071 050 710

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Community of Christ Ltd is part of the international Christian denomination, Community of Christ, which, on a global basis, has about 250,000 members in 1,500 congregations in approximately 60 countries.

The mission of the church is to proclaim Jesus Christ and promote communities of joy, hope, love and peace.

In Australia, the Community of Christ offers:

- A community of people where the gospel of Jesus Christ is the focus of worship, learning, caring and mission.
- Local congregations where deep friendships are established and individual ideas are valued.
- A global community with a worldwide mission that values all cultures and celebrates the rich diversity of human life.
- Meaningful opportunities to serve Jesus Christ by helping others and promoting peace.

Directors Report

The directors of Community of Christ Ltd submit this report on the company for the financial year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

1. Kenneth Barrows (resigned 31 March 2017)
2. Benjamin Smith (appointed 31 March 2017)
3. Julie Crittenden
4. Peter Lonsdale (resigned 27 May 2017)
5. Warwick Sarre
6. Malcolm Stephenson
7. Lisa Yen
8. Adam Wade (appointed 27 May 2017)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mission Statement

Community of Christ Ltd was formed to help facilitate the operations of Community of Christ (the church) by enabling the church to properly function from a legal perspective in Australia.

The mission of the church is to proclaim Jesus Christ and promote communities of joy, hope, love and peace.

All ministries, personnel, and resources of the church are focused on the mission of Jesus Christ through five, life-changing, church-changing mission initiatives.

1. Invite People to Christ

Christ's mission of evangelism

2. Abolish Poverty, End Suffering

Christ's mission of compassion

3. Pursue Peace on Earth

Christ's mission of justice and peace

4. Develop Disciples to Serve

Equip individuals for Christ's mission

5. Experience Congregations in Mission

Equip congregations for Christ's mission

Objectives and Strategies

The short term and long term objectives of Community of Christ Ltd are to support the functioning of the church in Australia.

Strategies of Community of Christ Ltd include, but are not limited to:

- Holding legal title to properties on behalf of the church and its associate companies, including Saints Care Ltd
- Holding legal title to investments and other operational assets used by the church
- Entering into legal contracts, including employment contracts, as agent for the church in Australia

The short-term and long-term objectives of the church in Australia are:

1. *To support church congregations in the Australia Mission Centre*
2. *To facilitate church expansion in Australia*
3. *To provide linkage between world church ministries and congregations*

Strategies of the Australia Mission Centre include, but are not limited to:

- Pastoral support of congregational leaders
- Leadership skill development
- Missionary ministries and church planting
- Congregational crisis support and consulting
- Financial resource development and support
- Specialised ministries (for example; children, youth)
- Technical assistance to congregations (for example; Human resources management, legal, risk management, real estate)
- Co-ordination of periodic celebration and gathering events (for example; mission camps and conferences)
- Essential administrative functions (including world church policy, priesthood supervision)

Information on directors

Kenneth Barrows

Qualifications/Experience: MAR, MBA, Doctor of Ministry
Special responsibilities: Mission President and Chair

Benjamin Smith

Qualifications/Experience: Bachelor of Arts (Community Development)
Special responsibilities: Mission President and Chair

Julie Crittenden

Qualifications/Experience: BCom, MCom, CPA
Special responsibilities: Mission Financial Officer and Company Secretary

Peter Lonsdale

Qualifications/Experience: Bachelor of Arts; Director Aboriginal Housing and Client Services North, Housing Authority WA
Special responsibilities: Counsellor to Mission President

Warwick Sarre

Qualifications/Experience: Doctor of Legal Science (Canberra)
Professor School of Law, University of South Australia
Immediate Past President, Australian and New Zealand Society of Criminology
Special responsibilities: Counsellor to Mission Financial Officer

Malcolm Stephenson

Qualifications/Experience: Bachelor of Arts (Liberal Studies) Business Administration (Graceland University), Master of Religion (Park University), Retired Community of Christ Appointee minister
Special responsibilities: Counsellor to Mission Financial Officer

Lisa Yen

Qualifications/Experience: Doctor of Philosophy (Macquarie University)
Special responsibilities: Counsellor to Mission President

Adam Wade

Qualifications/Experience: Bachelor of Engineering[Chemical Engineering] (Monash University), Master of Arts in Christian Ministries (Graceland University - Community of Christ Seminary)
Special responsibilities: Counsellor to Mission President

Meeting of Directors

During the financial year eight meetings of directors were held. Attendances by each director were as follows:

	<u>Number eligible to attend</u>	<u>Number attended</u>
Kenneth Barrows	6	6
Benjamin Smith	2	2
Julie Crittenden	8	7
Peter Lonsdale	8	8
Warwick Sarre	8	7
Malcolm Stephenson	8	8
Lisa Yen	8	8
Adam Wade	0	0

Indemnification of Officers and Auditors

During the year Community of Christ Ltd paid professional indemnity and director's and officer's liability insurance for all of its directors and officers.

Directors Interests

The directors had no material interests in contracts or proposed contracts with Community of Christ Ltd during the financial year other than those disclosed in Note 15 Related

Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the entity in future financial years.

Company Limited by Guarantee

Community of Christ Ltd is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2017 the total amount that members of the company are liable to contribute if the company is wound up is \$120.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on the following page of the annual report.

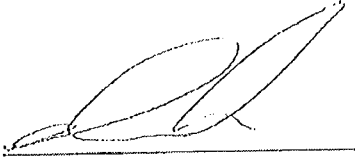
Registered Office

The registered office and principal place of business is 12 Taylor St, West Pennant Hills, New South Wales 2125.

Notice of Meeting

The Annual General Meeting of Community of Christ Ltd will be held on 30 January 2018, where this report will be presented.

Signed in accordance with a resolution of the Board of Directors

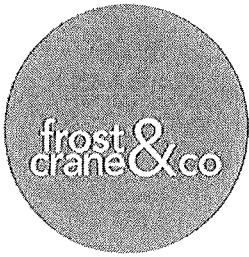


Benjamin Smith
Director/Chair



Julie Crittenden
Director/Company Secretary

Dated: 29 January 2018



Frost Crane & Co
ABN 89 625 234 511

AFSL No. 484233

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**COMMUNITY OF CHRIST LTD
ABN 58 071 050 710**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

TO THE DIRECTORS OF COMMUNITY OF CHRIST LTD

I declare that, for the year ended 30 June 2017, to the best of my knowledge and belief, there have

i. no contraventions of the auditor independence requirements of 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.

A handwritten signature in black ink, appearing to read 'Bruce Frost'.

Frost Crane & Co
Bruce Frost CA
Carlingford, NSW
Registered Company Auditor
29 January 2018

Financial Reports

COMMUNITY OF CHRIST LTD

ABN 58 071 050 710

Statement of Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Investment income - interest and distribution	5	817,774	471,027
Investment income - distribution gain/(loss) on sale	5	(36,914)	(226,297)
Partnerships	6	363,822	298,588
Rental & lease income	7	206,435	198,882
Gain on disposal of property, plant and equipment		3,704,063	2,888,769
Camps & events	9	157,743	135,288
Donations & bequests	10	99,899	73,545
Other income	11	633,808	22,563
Total revenue from operating activities	4	5,946,630	3,862,365
Congregational support		2,238,550	932,703
Finance & facilities		358,069	462,640
Communications		39,546	39,741
Kallara campground		69,321	62,102
Total expenses from operating activities	4	2,705,486	1,497,186
Result before investment (loss)/gain		3,241,144	2,365,179
Net loss/gain on re-measurement of investments at fair value		82,297	131,070
Result for the year		3,323,441	2,496,249
Other comprehensive income		-	-
Total comprehensive income for the year		3,323,441	2,496,249

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2017

	Notes	2017	2016
		\$	\$
Current Assets			
Cash and cash equivalents	16	346,201	464,787
Receivables		43,121	13,331
Assets held for sale	17	10,857	57,206
Financial investments	18	5,114,594	3,140,213
Total Current Assets		<u>5,514,773</u>	<u>3,675,537</u>
Non-Current Assets			
Receivables		20,927	23,819
Financial investments	18	11,905,687	9,887,713
Property, plant & equipment	19	9,156,508	9,196,207
Total Non-Current Assets		<u>21,083,122</u>	<u>19,107,739</u>
Total Assets		<u>26,597,895</u>	<u>22,783,276</u>
Current Liabilities			
Payables	20	2,307,055	1,905,856
Provisions		248,662	164,053
Total Current Liabilities		<u>2,555,717</u>	<u>2,069,909</u>
Non-Current Liabilities			
Provisions		13,642	8,272
Total Non-Current Liabilities		<u>13,642</u>	<u>8,272</u>
Total Liabilities		<u>2,569,359</u>	<u>2,078,181</u>
Net Assets		<u>24,028,536</u>	<u>20,705,095</u>
Equity			
Retained Funds		21,265,525	17,998,655
Reserves	22	2,763,011	2,706,440
Total Equity		<u>24,028,536</u>	<u>20,705,095</u>

The accompanying notes form part of these financial statements.

COMMUNITY OF CHRIST LTD

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**Statement of Cash Flows
For the year ended 30 June 2017**

	Notes	2017	2016
Cash flows from operating activities			
Receipts from Community of Christ members, congregations & organisations		1,179,969	512,090
Receipts from other supporters		527,391	938,871
Payments to suppliers and employees		(2,951,680)	(1,890,461)
Interest Received & Investment Income		780,860	244,730
Net cash provided by operating activities	21	<u>(463,460)</u>	<u>(194,770)</u>
Cash flows from investing activities			
Principal loan repayments from congregations		2,892	2,776
Deposits from members and congregations to depositor accounts		595,046	17,726
Withdrawals by members and congregations from depositor accounts		(69,070)	(72,764)
Proceeds from sale of property, plant and equipment		3,987,268	3,482,473
Payment for property, plant and equipment		(261,205)	(42,898)
Redemption of Investments		1,062,534	5,149,215
Payment for investments		(4,972,591)	(8,107,127)
Net cash used in investment activities		<u>344,874</u>	<u>429,401</u>
Net increase/(decrease) in cash held		(118,586)	234,631
Cash and cash equivalents at the beginning of financial year		464,787	230,156
Cash at and cash equivalents at the end of financial year	16	<u>346,201</u>	<u>464,787</u>

The accompanying notes form part of these financial statements

COMMUNITY OF CHRIST LTD
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Statement of Changes in Equity
For the year ended 30 June 2017

	Note						
	2(j), 22	Retained Funds	Capital Reserve	Asset Revaluation Reserve	Green Cathedral Chapel & Visitors Centre Development Reserve	Special Purpose Reserves	Total
Balance at 30 June 2015		15,506,301	1,286,649	611,410	(22,497)	826,983	18,208,846
Comprehensive income							
Result for the year		2,496,249	-	-	-	-	2,496,249
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		2,496,249	-	-	-	-	2,496,249
Net transfer to GCC & VC Development Reserve		(3,895)	-	-	3,895	-	-
Balance at 30 June 2016		17,998,655	1,286,649	611,410	(18,602)	826,983	20,705,095
Comprehensive income							
Result of the year		3,323,441	-	-	-	-	3,323,441
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		3,323,441	-	-	-	-	3,323,441
Net transfer to GCC & VC Development Reserve		(56,571)	-	-	4,975	51,596	-
Balance at 30 June 2017		21,265,525	1,286,649	611,410	(13,627)	878,579	24,028,536

For a description of each reserve, please refer to note 2(j)

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1 Organisation and Nature of Operations

Community of Christ Ltd is part of the international Christian denomination, Community of Christ, which, on a global basis, has about 250,000 members in 1,500 congregations in approximately 60 nations. The mission of the church is to proclaim Jesus Christ and promote communities of joy, hope, love and peace. In Australia, the Community of Christ offers:

- A community of people where the gospel of Jesus Christ is the focus of worship, learning, caring and mission.
- Local congregations where deep friendships are established and individual ideas are valued.
- A global community with a worldwide mission that values all cultures and celebrates the rich diversity of human life.
- Meaningful opportunities to serve Jesus Christ by helping others and promoting peace.

Note 2 Statement of Significant Accounting Policies

(a) Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements and the Corporations Act 2001 with the exception of the AIFRS standards as more fully explained in note 3

The financial statements cover Community of Christ Ltd, a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 29 January 2018 by the directors of the

(b) Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

These financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

Statement of Significant Accounting Policies (continued)

(c) Taxation

Income tax

No provision for income tax has been made in these accounts as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Goods and services 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 it is recognised as part of the cost of acquisition of an asset or as part of an item of expense as applicable.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office is included with other receivables or payables (current) in the statement of financial position.

Cash flows are included in the statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

(d) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant Accounting Judgements

Grants Received

Once the company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered) in which case it is accounted for under AASB 118 Revenue or a non-reciprocal grant in which case it is accounted for under AASB 1004 Contributions.

(e) Property, Plant, and Equipment

Each class of property, plant, and equipment is carried at cost, less where applicable, any accumulated depreciation, amortisation or impairment losses.

The carrying amount of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In the situation where the carrying value is greater than the estimated recoverable amount, the carrying value is immediately written down to its estimated recoverable amount. The estimated recoverable amount is assessed as the greater of fair value less costs to sell and value in use.

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'. The highest and best use of the land and buildings are considered in determining valuation.

Statement of Significant Accounting Policies (continued)

(e) Property, Plant, and Equipment (continued)

Directors' valuations are used if an independent valuation does not take place during an annual reporting period.

Where property, plant or equipment is held to provide a service rather than to generate cash, value in use is determined as the depreciated replacement cost.

Depreciation

The depreciable amount of property, plant and equipment is depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use on a reducing balance basis.

Properties held for service purposes (congregational churches) are held at deemed cost and are not depreciated. Land is not depreciated.

The depreciation rates for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Campground plant & equipment	25-30%
Office equipment	25-60%
Motor vehicles	23%
Buildings	3.75%

Assets residual values and useful lives are reviewed and adjusted, if appropriate, at each financial year-end.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(f) Financial Investments

Financial investments represent the unit value of funds invested in Community of Christ Ltd's pooled investment fund.

Financial investments have been reported as 'fair value through profit or loss' to enable performance evaluation on a fair value basis in accordance with a documented risk management or investment strategy. Fair value represents the amount for which an asset could be exchanged between knowledgeable willing parties. This applies to all financial assets. It does not apply to two residential properties that aren't held strictly for investment purposes, these properties are held at deemed cost in 2004 of \$775,000 (2017 \$775,000).

Investments in the fund are initially measured at cost on trade date when the related contractual or obligations exist. Then subsequently measured, at each reporting date, at fair value with realised and unrealised gains and losses arising from changes in the fair value of these assets included in the income statement in the period in which they arise.

Community of Christ Ltd apportions the financial investments unit value between current and non-current assets based on Community of Christ Ltd's pooled investment fund determination.

Statement of Significant Accounting Policies (continued)

(g) Employee Entitlements

Employee entitlements comprise wages and salaries (including non-monetary benefits), non-vesting accumulating sick leave, annual and long service leave.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in payables (current) in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date are recognised in provisions (current) as the Company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period). Both liabilities are measured at the amounts expected to be paid when the liabilities are settled including the on-costs of applicable government superannuation guarantee contribution and workers compensation. Annual leave not expected to be paid within 12 months has been based on current pay rates and not discounted as the difference is immaterial.

The liability for long service leave is recognised in current provisions when the Company does not have an unconditional right to defer settlement of this liability for at least 12 months after the end of the reporting period otherwise the liability is recognised as non-current and measured as the present value of expected future payments to be made in respect of services provided by the employees. This non-current liability has been calculated using a recognised shorthand method that recognises a liability for employees who meet the minimum continuous service periods under state long service leave legislation based on current pay rates as there is an immaterial difference using this method. On-costs of applicable government superannuation guarantee contribution and workers compensation have been included when they are expected to be paid.

No liability has been recognised for sick leave as it does not vest and past experience indicates that on average, sick leave taken each reporting period is less than the entitlement accruing in that period.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement cash and cash equivalents is as defined above net of any outstanding bank overdrafts.

(i) Revenue

Revenue is recognised as follows:

Investment Income

Distributions from Community of Christ Ltd's pooled investment fund are recognised as income when declared.

Interest revenue is recognised as it accrues, taking in to account the interest rates applicable to the financial assets.

Rental & Lease Income

Rental and lease incomes are recognised when the right to receive it as per the lease occurs.

Donations

Donations collected from congregations of Community of Christ are recognised in the reporting period in which funds are collected and due. Other donations are recognised when received.

Statement of Significant Accounting Policies (continued)

(i) Revenue (continued)

Government Grants

Grants are recognised when control or the right to receive the contribution is received and it is probable that the economic benefits gained from the grant will flow to Community of Christ Ltd and the grant can be reliably measured.

Other Income

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Other revenue is recognised when the right to receive the revenue has been legally established and the amount can be reliably measured.

No amounts are included in the statements for services donated by volunteers.

(j) Reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve has been created from historical directors revaluations of land & buildings held by the company as per the applicable accounting standard prior to decision to hold them at deemed cost in 2004.

Capital Gains Reserve

The Capital Gains Reserve has been created from the sale of property owned by Community of Christ Ltd. The primary purpose of the reserve is to help fund the operation of Community of Christ Ltd from the income received from the capital invested.

Special Purpose Reserves

Various reserves have been created by the donation or allocation of moneys for a specific purpose. The reserves will be extinguished when the money is used for the purpose specified by the donor.

(k) Comparatives Edited

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) New Standards and Interpretations Not Yet Adopted

At the date of authorisation of the financial report, the following material Standards and Interpretations were issued but not yet effective:

- AASB 9 Financial Instruments
- AASB 15 Revenue
- AASB 16 Leases

Community of Christ Ltd is assessing the potential impact on its financial statements of these new and revised Standards & Interpretations.

Note 3 Compliance with Australian equivalents to International Financial Reporting Standards

Consideration was given to the requirements contained in Australian Accounting Standards that are equivalents to the International Financial Reporting Standards (AIFRS). The directors consider that, given the size and nature of the company and its operations, the adoption of all AIFRS is not warranted. Many of the provisions in the AIFRS are not applicable to the company including the regulations relating to dividends, borrowing, debt equity ratios, consideration of employee incentive schemes involving shares and share options, contracts when purchasing another company, and other similar transactions. If the said standard was adopted then there would be no material impact on the financial statements.

Further, AASB 1053 Application of Tiers of Accounting Standards, commenced 1 July 2013. As a not-for-profit entity, the company is eligible to apply Tier 2 reporting requirements. As the company has decided to apply some of the available reduced disclosure this precludes compliance with some AIFRS.

Note 4 Operational Divisions

Community of Christ Ltd comprises the following two main operational divisions:

1. Australia Mission operations are focused on supporting Community of Christ congregations, facilitating church expansion and providing a linkage between world church ministries and congregations in Australia.

2. Kallara Conference Centre is a unique self-catering venue open to the public, situated on 60 acres, 2 hours drive north of Melbourne in the foothills of the Strathbogie Ranges.

The company has delegated its authority to manage the affairs of Kallara Conference Centre to the Kallara board of management except in relation to employment and property matters.

Note 4 Operational divisions (continued)

2017	Note	Australia Mission			Kallara	Total
Investment Income	5	779,978			882	780,860
Partnerships	6	363,822				363,822
Rental & Leases	7	206,435				206,435
Gain on disposal PPE	8	3,704,063				3,704,063
Camps & Events	9	89,208			68,535	157,743
Donations & Bequests	10	99,669			230	99,899
Audit Fees		9,481				9,481
Other Income		33,554			590,773	624,327
Total Revenue		5,286,210			660,420	5,946,630
		<i>Finance & Facilities</i>	<i>Congregation Support</i>	<i>Communication</i>		
Personnel expenses	12	(189,792)	(811,121)			(1,000,913)
Camps & Events	9		(151,653)			(151,653)
Direct Congregational Support			(1,195,023)			(1,195,023)
Green Cathedral Development	13		(2,246)			(2,246)
Australia Herald				(24,609)		(24,609)
AEST			(4,301)			(4,301)
Co-Mission Leaders Training			(12,081)			(12,081)
Occupancy & maintenance		(39,539)	(7,331)		(33,660)	(80,530)
Legal		(14,995)				(14,995)
Depreciation		(10,526)	(32,518)		(20,586)	(63,630)
Interest paid to depositors		(52,115)				(52,115)
Audit expense		(16,000)				(16,000)
Other		(35,102)	(22,276)	(14,937)	(15,075)	(87,390)
Total expenses		(358,069)	(2,238,550)	(39,546)	(69,321)	(2,705,486)
Result for the year before investment (loss)/gain		2,650,045			591,099	3,241,144
Investment (loss)/gain		82,297				82,297
Result for the year		2,732,342			591,099	3,323,441

2016	Note	Australia Mission			Kallara	Total
Investment Income	5	243,928			802	244,730
Partnerships	6	298,588				298,588
Rental & Leases	7	198,882				198,882
Gain on disposal PPE	8	2,888,769				2,888,769
Camps & Events	9	72,475			62,813	135,288
Donations & Bequests	10	70,650			2,895	73,545
Audit Fees		8,892				8,892
Other Income		11,683			1,988	13,671
Total Revenue		3,793,867			68,498	3,862,365
		<i>Finance & Facilities</i>	<i>Congregation Support</i>	<i>Communication</i>		
Personnel expenses	12	(161,191)	(679,389)			(840,580)
Camps & Events	9		(160,334)			(160,334)
Direct Congregational Support			(804)			(804)
Green Cathedral Development	13		(361)			(361)
Australia Herald				(27,561)		(27,561)
AEST			(2,944)			(2,944)
Co-Mission Leaders Training			(3,726)			(3,726)
Occupancy & maintenance		(57,463)			(30,755)	(88,218)
Legal		(137,950)				(137,950)
Depreciation		(5,605)	(40,572)		(15,588)	(61,765)
Interest paid to depositors		(48,271)				(48,271)
Audit expense		(15,000)				(15,000)
Other		(37,160)	(44,573)	(12,180)	(15,759)	(109,672)
Total expenses		(462,640)	(932,702)	(39,741)	(62,102)	(1,497,186)
Result for the year before investment (loss)/gain		2,358,783			6,396	2,365,179
Investment (loss)/gain		131,070				131,070
Result for the year		2,489,853			6,396	2,496,249

Note 5 Investment Income

	2017	2016
	\$	\$
Interest from cash deposits & loans	4,519	3,182
Endowment Fund surplus investment income distribution	89,983	8,987
<u>Community of Christ Ltd Investment Fund distribution</u>		
Interest from cash deposits	26,850	18,185
Interest from term deposits and fixed interest funds	251,838	162,171
Rent from direct property	50,605	19,433
Income distributions from property trusts	122,790	33,093
Income distributions from private equity funds	2,958	2,373
Income distributions from share funds - Australia focus	179,574	23,973
Income distributions from share funds - International focus	140,662	229,258
Franking credit refund from ATO	27,697	25,822
Gain/(loss) on sale of investments	(36,914)	(226,297)
Portfolio and management expenses	(69,740)	(49,964)
Property management expenses	(9,962)	(5,486)
	<u>686,358</u>	<u>232,561</u>
Gain/(loss) on re-measurement of investments at fair value	82,297	131,070
Total Community of Christ Ltd Investment Fund distribution	<u>863,157</u>	<u>375,799</u>

Community of Christ Ltd Investment Fund changed their method of valuing investments at fair value from cum dividend to ex dividend in 2017. This resulted in a distribution of \$194,718 for 2016 being recognised as income in 2017 and distributed to Community of Christ Ltd as part of the overall 2017 distribution. Further, Community of Christ Ltd Investment Fund discovered \$17,395 had not been distributed to Community of Christ Ltd in 2016 and 2015 relating to direct property net income, this was corrected in 2017.

Note 6 Partnership Funding

	2017	2016
	\$	\$
Saints Care Ltd	302,022	238,189
Community of Christ - Congregations	61,800	60,399
	<u>363,822</u>	<u>298,588</u>

Further information is provided in note 15

Note 7 Rental & Lease Income

	2017	2016
	\$	\$
Green Cathedral Chapel Hire	5,500	3,000
Boatshed & Sundowner Tiona Tourist Park, Forster NSW	168,858	161,021
Graham Rd, Viewbank VIC	-	3,515
Laycock St, Cranebrook NSW (<i>Preschool</i>)	32,077	31,346
	206,435	198,882

Note 8 Gain on Sale of Assets Held for Sale

	2017	2016
	\$	\$
Gain on sale of Hughesdale	973,023	-
Gain on sale of Ryde	2,731,039	-
Gain on sale of Rosanna	-	2,888,769
Gain on sale of office equipment and motor vehicles	-	-
	3,704,063	2,888,769

Gain on sale of Hughesdale

On 3 February 2017, settled occurred for the property at 241 Poath Rd, Murrumbena Victoria; Community of Christ congregation known as 'Hughesdale' was located on this property. The Company received net proceeds of \$1,195,023 for the property; the net proceeds were transferred to 'Hughesdale' (see note 4 'Direct Congregational Support'). The property was valued by deemed cost in 2004 at \$222,000 therefore a significant gain on sale of \$973,023 resulted.

Gain on sale of Ryde

On 17 January 2017, settled occurred for the property at 176-178 Blaxland Rd, Ryde New South Wales. The Company received net proceeds of \$3,081,039 for the property; a 10% deposit was received in 2016 financial year(see note 16). The Ryde property was valued by deemed cost in 2004 at \$350,000 therefore a significant gain on sale of \$2,731,039 resulted.

Gain on sale of Rosanna

On 14 March 2016, settled occurred for the property at 19 Graham Rd, Viewbank Victoria that the Company had a 50% share in; Community of Christ congregation known as 'Rosanna' was located on this property. The Company received net proceeds of \$3,188,769 for its 50% share in the property. Rosanna was valued by deemed cost in 2004 at \$300,000 therefore a significant gain on sale of \$2,888,769 resulted.

Note 9

Camps & Events

	2017			2016		
	\$	\$	\$	\$	\$	\$
	Income	Expense	Surplus/ (Subsidy)	Income	Expense	Surplus/ (Subsidy)
Australia Mission						
<i>Camps held at Sundowner Tiona Tourist Park</i>						
Children's Camp	-	-	-	4,060	(18,018)	(13,958)
Tiona Reunion	37,114	(78,458)	(41,344)	28,624	(83,163)	(54,539)
Total	37,114	(78,458)	(41,344)	32,684	(101,181)	(68,497)
<i>Camps held at Kallara Conference Centre</i>						
Australia Mission						
Conference	8,727	(14,799)	(6,072)	-	-	-
Children's Camp	4,323	(8,001)	(3,678)	2,350	(2,583)	(233)
CPlus Unplugged	1,390	(1,313)	77	-	-	-
Reunion	3,208	(3,510)	(302)	5,195	(6,769)	(1,574)
Total	17,648	(27,623)	(9,975)	7,545	(9,352)	(1,807)
Accommodation paid to Kallara included		(7,924)			(4,474)	
<i>Camps held at Koonjearre</i>						
Reunion	4,200	(7,086)	(2,886)	5,377	(5,533)	(156)
Total	4,200	(7,086)	(2,886)	5,377	(5,533)	(156)
<i>Camps held at Other venues</i>						
Australia Mission						
Conference	-	-	-	6,765	(13,062)	(6,297)
IYF	-	-	-	-	(160)	(160)
National Leaders						
Gathering	8,493	(14,509)	(6,016)	14,564	(23,986)	(9,422)
CPlus - Camps General	-	(55)	(55)	-	-	-
Community Plus	8,000	(17,152)	(9,152)	-	-	-
Yarrahapinni	4,363	(4,385)	(22)	-	(12)	(12)
NSW Children's Camp (previously at Tiona)						
Cruise Reunion	3,620	(2,024)	1,596	-	(266)	(266)
WOW	1,370	(1,079)	291	-	-	-
CPlus Unplugged	-	-	-	1,180	(6,585)	(5,405)
Cplus SA	-	-	-	150	(294)	(144)
NSW Women's Retreat (previously at Tiona)						
Total	4,400	(7,206)	(2,806)	4,210	(4,375)	(165)
Australia Mission Total	89,208	(159,577)	(70,369)	72,475	(164,806)	(92,331)

Expenses exclude the cost of staff time planning and attending these events

	2017	2016
	\$	\$
Kallara Conference Centre		
Camps & Events Fees from Congregations & Others	68,535	62,813
Camps & Events Fees from Australia Mission	7,924	4,474
Kallara Conference Centre Total	76,459	67,287

Note 10 Donations & Bequests

	2017	2016
	\$	\$
Australia Mission		
Donations - General	67,904	57,941
Donations - Green Cathedral Visitor Centre Development	4,580	2,216
Donations - General Cathedral	20,400	4,550
Donations - Community Plus	6,785	5,942
	<u>99,669</u>	<u>70,650</u>
Kallara Conference Centre		
Donations - General	230	2,895
	<u>230</u>	<u>2,895</u>
	<u>99,899</u>	<u>73,545</u>

Donations to Camps & Events included in Camps & Events Income (see Note 9)

NSW Women's Retreat	-	5
Community Plus	530	120
Kallara Reunion	73	737
Australia Mission Conference	1,163	65
National Leaders Gathering	310	-
Yarrahapinni	94	-
WOW	600	-
	<u>2,770</u>	<u>927</u>

Note 11 Other Income

	2017	2016
	\$	\$
Grants - Kallara Campground from Hughesdale	589,718	-
- Other	1,229	455
Fees	18,970	17,673
Other	23,891	4,435
	<u>633,808</u>	<u>22,563</u>

Note 12 Personnel Expenses

	2017	2016
	\$	\$
Wages, salaries, allowances, benefits & superannuation	712,114	612,698
Motor vehicles	53,833	42,217
Equipment eg. Laptops	3,623	575
Ministerial expenses	52,123	39,912
Provision for annual & long service leave	45,338	38,480
Workers compensation insurance	8,050	5,985
Other	15,938	21,312
	<u>891,019</u>	<u>761,177</u>
Saints Care Ltd administrative staff fee	109,894	79,401
	<u>1,000,913</u>	<u>840,579</u>

Employee numbers

Average number of full-time equivalent employees - Australia Mission employees	9	8
Average number of full-time equivalent employees - Saints Care Ltd administrative staff	1	1

Note 13a Green Cathedral Chapel & Visitor Centre Development

	Total	2017	2016	2015	2014	2013	2012	2011	2010	2009	2004-8
Income											
Donations	78,298	4,580	2,217	7,929	20,227	1,193	3,214	36,246	-	-	2,692
Fundraising	16,642	2,640	2,039	2,649	9,314	-	-	-	-	-	-
Total Income	94,940	7,220	4,256	10,578	29,541	1,193	3,214	36,246	-	-	2,692
Expenses											
Development	(246,669)	(31)	-	(9,189)	(32,796)	(14,242)	(75,511)	(41,118)	(18,089)	(14,942)	(40,751)
Fundraising	(101,283)	(2,215)	(361)	(12,782)	(85,813)	(112)	-	-	-	-	-
Total Expenses	(347,952)	(2,246)	(361)	(21,971)	(118,609)	(14,354)	(75,511)	(41,118)	(18,089)	(14,942)	(40,751)
Net	(253,012)	4,974	3,895	(11,393)	(89,068)	(13,161)	(72,297)	(4,872)	(18,089)	(14,942)	(38,059)
Fund Allocations	239,385				100,000						139,385
Net after Fund Allocations	(13,627)	4,974	3,895	(11,393)	10,932	(13,161)	(72,297)	(4,872)	(18,089)	(14,942)	101,326

AMCC 2005 (Special Australia Mission Centre Meeting)

RESOLVED, that approval is given to the Mission Centre President and Mission Centre Bishop for expenditure up to \$300,000 for a building to be erected at Tiona together with the landscaping, fit out and other associated costs.

AMCC 2006-2 Tiona Building

RESOLVED, that approval is given to the Mission Centre President and the Mission Centre Financial Officer for expenditure up to \$450,000 for a building to be erected at Tiona together with the landscaping, fit out and other associated costs.

AMCC 2013-2: Reaffirm Construction of an All-weather Facility at Tiona campground and Authorization for Additional Funding

RESOLVED That delegates to the 2013 Australia Mission conference reaffirm their commitment to proceed with the construction of an all-weather facility on the site of the old Mission tent; and

RESOLVED That approval be given for a further expenditure of \$950,000 (\$250,000 previously authorized but not expended and \$700,000 additional funding) be given to pursue construction of this all-weather facility with these funds being generated from fundraising activity and lease payments received from Sundowner under the management lease; and

RESOLVED that cash advances or loans of AMC funds beyond the \$450,000 (\$200,000 spent and \$250,000 yet to be spent) approved at prior conferences will be made only after a fundraising plan is enacted and at least \$350,000 in gifts and firm pledges are in place, and

RESOLVED That the Australia Mission officers be authorized to expend up to 10% over the total amount approved for this project should that become necessary to complete it without further conference action.

Note 13b Green Cathedral Outdoor Chapel Income & Expenditure

	2017	2016
	\$	\$
Income		
Donations	20,400	4,550
Hire Fees	5,500	3,000
Total Income	<u>25,900</u>	<u>7,550</u>
Expenses		
Advertising	(42)	-
Cleaning	(2,520)	(1,755)
Contractor Fees	-	(7,500)
Equipment	(3,196)	(744)
Insurance	(1,290)	(882)
Legal & Rent	(355)	(19,298)
Repairs & Maintenance	(710)	(2,467)
Staff costs	(300)	-
Other	(166)	(240)
Total Expenses	<u>(8,579)</u>	<u>(32,886)</u>
Net Lease Income/(Expense)	<u>17,321</u>	<u>(25,336)</u>

Management of the Green Cathedral Outdoor Chapel was resumed during 2016

Note 14 Sundowner Tiona Tourist Park Lease Income & Expenditure

	2017	2016
	\$	\$
Income		
Sundowner Lease Income	162,889	155,133
Total Income	<u>162,889</u>	<u>155,133</u>
Expenses		
General	(1,403)	(2,445)
Legal	(589)	(112,726)
Staff - 5% (10% in 2016) of Green Cathedral Ministries position based on review of actual time spent on planning and attending camps & events held at Tiona + estimate of other staff time for planning and attending these camps & events	(17,638)	(23,305)
Subsidy for Camps & Events held at Tiona	(44,150)	(68,928)
Total Expenses	<u>(63,780)</u>	<u>(207,404)</u>
Net Lease Income/(Expense)	<u>99,109</u>	<u>(52,271)</u>
Transfer to Maintenance/Capital Reserve	<u>(50,000)</u>	-
Net Lease Income/(Expense) after Reserve Transfers	<u>49,109</u>	<u>(52,271)</u>

The above has been prepared from the perspective that Sundowner lease income covers only staff time spent on planning and attending camps and events at Tiona. Therefore, no cost has been included for time spent on the general duties of the GCM position. Community of Christ Ltd acknowledges that from a historical perspective there is evidence an argument could be made for all or a portion of this to be included.

Note 15 Related Parties

The Presiding Bishopric of Community of Christ is trustee of all assets of the church worldwide. Community of Christ's Australia Mission Financial Officer acts as agent for the Presiding Bishopric in Australia and serves as a director and company secretary for Saints Care Ltd. Community of Christ's Australia Mission President serves as chair & CEO for Saints Care Ltd. Saints Care Ltd is the charity arm of Community of Christ in Australia.

Community of Christ Ltd (Australia Mission) provides staffing and administration to Saints Care Ltd; \$281,168 of the 'partnership funding' income (see note 6) was for ministerial and administrative staff expenses recouped by Community of Christ Ltd (Australia Mission) during the 2017 year (\$217,768 in 2016).

Community of Christ Ltd and Saints Care Ltd also share an office; \$20,854 of 'partnership funding' income was for occupancy and general office running costs recouped by Community of Christ Ltd during the 2017 year (\$20,421 in 2016).

Saints Care Ltd provides accounting services to Community of Christ Ltd; \$109,894 of the 'personnel expenses' (see note 4 & 12) incurred was paid to Saints Care Ltd during the 2017 year (\$79,401 in 2016).

Community of Christ Ltd receives a consolidated flat audit fee from Frost Crane & Co for audit services rendered for Community of Christ Ltd, Presiding Bishopric and Saints Care Ltd. During the 2017 year, Community of Christ Ltd received \$6,751 (\$6,329 in 2016) from Saints Care Ltd and \$1,814 (\$1,700 in 2016) from the Presiding Bishopric.

Community of Christ Ltd received \$61,800 during 2017 (\$60,399 in 2016) from Community of Christ congregations for contributions to the funding of specific employment contracts and the Co-Mission Leaders training program (see note 6).

Directors Compensation

Except for Community of Christ Australia Mission President and Financial Officer (as mentioned above) and an ex-officio director who is a counsellor to the Financial Officer employed part-time by Saints Care Ltd for part of the year to assist Financial Officer, directors act in an honorary position and receive no compensation for their services. The Australian Mission President role was paid by The Presiding Bishopric prior to the 2017 year (\$1,257 was paid by Community of Christ Ltd for phone, travel and meal expenses in 2016). The Australia Mission President and Financial Officer roles are paid by Community of Christ Ltd with an appropriate amount recouped from Saints Care Ltd, similarly Saints Care Ltd recouped an appropriate amount from Community of Christ Ltd for ex-officio director (as mentioned above).

During the year travel expenses totalling \$393 (\$630 in 2016) incurred by the other directors in fulfilling their role were reimbursed.

Note 16 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank	345,901	464,487
Others	300	300
Total cash and cash equivalents as stated in the statement of financial position	<u>346,201</u>	<u>464,787</u>

Note 17 Assets Held for Sale

	2017	2016
	\$	\$
Ryde (see note 8)	-	57,206
Motor Vehicle	10,857	-
	<u>10,857</u>	<u>57,206</u>

Note 18 Financial Investments

Current

	2017	2016
	\$	\$
Financial assets at fair value through profit or loss		
- Unit value of funds invested in Community of Christ Ltd's pooled investment fund	5,114,594	3,140,213

Non-Current

Financial assets at fair value through profit or loss		
- Unit value of funds invested in Community of Christ Ltd's pooled investment fund	11,905,686	9,887,713
Total unit value of funds invested in Community of Christ Ltd's pooled investment fund	<u>17,020,281</u>	<u>13,027,926</u>

Financial investments have been reported as 'fair value through profit or loss' to enable performance evaluation on a fair value basis through a documented risk management or investment strategy. This applies to all financial assets. It does not apply to two residential properties that aren't held strictly for investment purposes, these properties are held at deemed cost in 2004 of \$775,000 (2016 \$775,000).

Financial assets at 'fair value through profit or loss' are measured at fair value and changes therein, including any interest or dividend income, are recognised in the profit or loss.

Note 19 Property, Plant and Equipment

	Church Land & Buildings	Campgrounds	Other Properties	Motor Vehicles	Office Furniture & Equipment	Campground Furniture & Equipment	Total
Cost							
Balance at 1 July 2015	8,060,000	1,674,047	83,899	195,327	78,446	85,177	10,176,896
Additions	-	-	-	27,700	2,869	12,329	42,898
Disposals	(650,000)	-	-	-	(505)	-	(650,505)
Balance at 30 June 2016	7,410,000	1,674,047	83,899	223,027	80,810	97,506	9,569,289
Balance at 1 July 2016	7,410,000	1,674,047	83,899	223,027	80,810	97,506	9,569,289
Additions	-	119,538	-	64,425	16,658	60,883	261,504
Disposals	(222,000)	-	-	(48,498)	(27,835)	-	(298,333)
Balance at 30 June 2017	7,188,000	1,793,585	83,899	238,954	69,633	158,389	9,532,460
Depreciation							
Balance at 1 July 2015	-	113,027	24,420	57,567	62,168	54,640	311,822
Depreciation	-	9,522	2,210	39,086	4,538	6,409	61,765
Disposals	-	-	-	-	(505)	-	(505)
Balance at 30 June 2016	-	122,549	26,630	96,653	66,201	61,049	373,082
Balance at 1 July 2016	-	122,549	26,630	96,653	66,201	61,049	373,082
Depreciation	-	9,522	2,122	33,467	7,345	11,174	63,630
Disposals	-	-	-	(32,924)	(27,835)	-	(60,759)
Balance at 30 June 2017	-	132,071	28,752	97,195	45,711	72,223	375,953
Carrying Amounts							
At 1 July 2015	8,060,000	1,561,020	59,479	137,760	16,278	30,537	9,865,074
At 30 June 2016	7,410,000	1,551,498	57,269	126,374	14,609	36,457	9,196,207
At 1 July 2016	7,410,000	1,551,498	57,269	126,374	14,609	36,457	9,196,207
At 30 June 2017	7,188,000	1,661,514	55,147	141,759	23,922	86,166	9,156,508

Note 19 Property, Plant & Equipment (continued)

	2017	2016
	\$	\$
Church Land & Buildings		
Aspley	400,000	400,000
Bendigo	300,000	300,000
Bulahdelah	150,000	150,000
Central Coast	250,000	250,000
Drummoyne	1,100,000	1,100,000
Ferntree Gully	160,000	160,000
Frankston	148,000	148,000
Guildford	350,000	350,000
Hughesdale	-	222,000
Johns River	210,000	210,000
Kingsgrove	380,000	380,000
Nepean	340,000	340,000
Parkholme	400,000	400,000
Taree	320,000	320,000
The Homestead (Beldon)	500,000	500,000
Tuncurry	90,000	90,000
Wallsend	750,000	750,000
Wingham	150,000	150,000
Woodlands (Perth)	240,000	240,000
West Pennant Hills	950,000	950,000
	<u>7,188,000</u>	<u>7,410,000</u>
Campgrounds		
Kallara	731,669	621,653
Pacific Palms (Tiona)	929,845	929,845
	<u>1,661,514</u>	<u>1,551,498</u>

Land and buildings stated at deemed cost in 2004.

Note 20 Payables

	2017	2016
	\$	\$
Deposits Held		
Community of Christ - Congregations	2,122,998	1,552,477
Community of Christ - Members	112,390	105,237
	<u>2,235,388</u>	<u>1,657,714</u>
Other		
General	57,414	222,243
Camp/Event Fees Received in Advance	14,253	25,899
	<u>71,667</u>	<u>248,142</u>
	<u>2,307,055</u>	<u>1,905,856</u>

Note 21 Cash Flow Information

	2017	2016
	\$	\$
CASH FLOW INFORMATION NOTES		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	345,901	464,487
Cash on hand (petty cash)	300	300
	<u>346,201</u>	<u>464,787</u>
(b) Reconciliation of cash flows from operations with result for the year		
Result for the year	3,323,441	2,496,248
Non-cash flows in result:		
Depreciation	63,630	61,765
Interest credited to members and congregations depositor accounts	52,115	48,271
Net (gain)/loss on re-measurement of investments at fair value	(82,297)	(131,070)
Net (gain)/loss on disposal of property, plant and equipment	(3,704,063)	(2,888,769)
Changes in assets and liabilities:		
(increase)/decrease in receivables	(29,790)	(3,782)
Increase/(decrease) in payables	(176,474)	184,086
Increase/(decrease) in provisions	89,978	38,480
Cash flows from operations	<u><u>(463,460)</u></u>	<u><u>(194,771)</u></u>

Note 22 Reserves

	2017	2016
	\$	\$
Capital Gains Reserve	1,286,649	1,286,649
Asset Revaluation Reserve	611,410	611,410
GCC & VC Development	(13,627)	(18,602)
 <u>Special Ministries Reserves</u>		
Bequest (Special Project)	338,452	338,452
Blaiklock Children Fund	3,055	3,055
Blaiklock Education Fund	3,159	3,159
Church Planting Reserve	6,222	6,222
Cruise Reunion	1,596	-
Iris Hilder Fund	91,761	91,761
Ministerial Expense Reserve	214,156	214,156
Missionary Development Fund	75,869	75,869
Music Fund	40,476	40,476
Special Ministries	53,833	53,833
Tiona Maintenance/Capital	50,000	-
	878,579	826,983

Note 23 Controlled Entities

Parent Entity

Community of Christ Ltd

Subsidiaries of Community of Christ Ltd:	Country of Incorporation	Percentage Owned 2017	Percentage Owned 2016
Community of Christ Superannuation Fund Pty Ltd	Aust	100%	100%

- Community of Christ Superannuation Fund Pty Ltd acts solely as trustee for the Community of Christ Superannuation Fund, a Self Managed Superannuation Fund.

Note 24 Events after the Reporting Period

There are no material events after the reporting period.

Note 25 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Memorandum and Articles of Association state that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. As at 30 June 2017 the number of members was six.

Note 26 Contingent Liability

Directors are of the opinion that there are no provisions required for contingencies in 2017 or 2016.

COMMUNITY OF CHRIST LTD
ABN 58 071 050 710

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Directors' Declaration

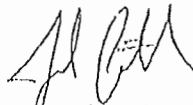
The directors declare that in the directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

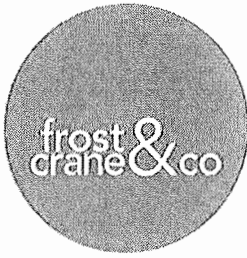


Benjamin Smith
Director/Chair



Julie Crittenden
Company Secretary

Dated: 29 January 2018



Frost Crane & Co
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**COMMUNITY OF CHRIST LTD
ABN 58 071 050 710
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF COMMUNITY OF CHRIST LTD

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of which comprises the statement of financial position as at 30th June, 2017 and the statement of comprehensive income statement, statement of changes in equity, and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In my opinion the financial report of have been prepared in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June, 2017 and of their performance for the year ended on that date; and
- ii. complying with Accounting Standards to the extent described in Note1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for 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 the financial report section of my report. I am independent of the company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for professional accountants* (the Code) that are relevant to my audit of the financial report. 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.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Directors' Responsibility for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of ACNC Act and the needs of members in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility also includes such internal controls as the directors determine 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 directors are responsible for assessing the company'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 directors intend either to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Accounting Standards, professional judgement is exercised and professional scepticism is maintained throughout the audit. I also:

- Analyse the risks of material misstatement in the financial report are identified and assessed, whether due to fraud or error, and design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 reasonableness of accounting estimates and related disclosures made by responsible entities.

- Conclude on the appropriateness of the company'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 company's ability to continue as a going concern. If I were to conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered 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.

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

A handwritten signature in black ink, appearing to read 'Bruce Frost', is written over a circular stamp or seal that is partially obscured by the signature.

Frost Crane & Co
Bruce Frost CA
Carlingford. NSW
Registered Company Auditor
30 January 2018