Seventh-day Adventist Church (Greater Sydney Conference) Trust

Financial Statements

For the Year Ended 31 December 2023

Seventh-day Adventist Church (Greater Sydney Conference) Trust

For the Year Ended 31 December 2023

CONTENTS

Seventh-day Adventist Church (Greater Sydney Conference) Trust

Comprehensive Income Statement

For the Year Ended 31 December 2023

	Note	2023 $	2022 $
Revenue recognised under AASB 15			
Adventist Book Centre revenue			
Sales revenue		**661,589**	611,175
Cost of sales		**(464,682)**	(434,005)
Gross earnings		**196,907**	177,170
Crosslands Youth and Convention Centre		**735,019**	556,544
Ministry income		**315,552**	364,565
Revenue from services provided	6	**2,226,674**	2,238,552
Other revenue		**28,850**	95,079
Total revenue recognised under AASB 15		**3,503,002**	3,431,910
Revenue recognised under AASB 1058			
Retained tithe	7	**13,523,377**	14,267,259
Offerings & donations	8	**282,138**	290,873
Appropriations	9	**1,150,421**	856,229
Ministry income		**53,040**	39,275
Other revenue		**111,675**	77,013
Total revenue recognised under AASB 1058		**15,120,651**	15,530,649
Revenue - investment	5	**373,108**	178,771
Gain on disposal of assets	15.1.	**82,976**	31,818
Total revenue		**19,079,737**	19,173,148
Administrative expense	10	**(3,187,566)**	(3,274,486)
Ministry expense	11	**(2,978,344)**	(2,886,979)
Field expense	12	**(11,503,574)**	(10,758,034)
Evangelism expense	13	**(525,658)**	(1,018,177)
Crosslands Youth and Convention Centre expense	14	**(842,491)**	(659,475)
Adventist Book Centre expense		**(615,833)**	(505,651)
Finance costs	5	**(7,067)**	(2,280)
Other expense		**(6,360)**	(19,962)
Total expense		**(19,666,893)**	(19,125,044)
Surplus/(deficit) before income tax		**(587,156)**	48,104
Income tax	4	**-**	-
Net surplus/(deficit)		**(587,156)**	48,104
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**(587,156)**	48,104

The financial statements should be read in conjunction with the accompanying notes.

Seventh-day Adventist Church (Greater Sydney Conference) Trust

Balance Sheet

As at 31 December 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	16	**7,249,914**	8,433,133
Cash held for agency	17	**150,175**	134,618
Trade and other receivables	18	**3,058,758**	2,545,968
Inventories	19	**233,906**	192,895
Other current assets	20	**663,421**	553,227
Total current assets		**11,356,174**	11,859,841
Non-current assets			
Trade and other receivables	18	**743,788**	128,876
Right-of-use assets	21	**150,643**	234,487
Plant and equipment	22	**440,874**	356,241
Intangible assets	23	**16,127**	19,777
Total non-current assets		**1,351,432**	739,381
TOTAL ASSETS		**12,707,606**	12,599,222
LIABILITIES			
Current liabilities			
Trade and other payables	24	**1,273,841**	1,054,810
Lease liabilities	25	**121,894**	102,252
Short-term provisions	26	**5,480,436**	4,899,235
Other current liabilities	27	**313,517**	284,437
Total current liabilities		**7,189,688**	6,340,734
Non-current liabilities			
Lease liabilities	25	**31,193**	133,319
Long-term provisions	26	**160,354**	211,642
Total non-current liabilities		**191,547**	344,961
TOTAL LIABILITIES		**7,381,235**	6,685,695
NET ASSETS		**5,326,371**	5,913,527
EQUITY			
Reserves	28	**161,565**	148,699
Denominational equity	29	**5,164,806**	5,764,828
TOTAL EQUITY		**5,326,371**	5,913,527

Seventh-day Adventist Church (Greater Sydney Conference) Trust

Statement of Changes in Equity

For the Year Ended 31 December 2023

	Denominational Equity	Fixed Asset Replacement Reserve	Total
	$	$	$
Balance at 1 January 2023	**5,764,828**	**148,699**	**5,913,527**
Total comprehensive income for the year	**(587,156)**	**-**	**(587,156)**
Transfers to and from reserves	**(12,866)**	**12,866**	**-**
Balance at 31 December 2023	**5,164,806**	**161,565**	**5,326,371**

	Denominational Equity	Fixed Asset Replacement Reserve	Total
	$	$	$
Balance at 1 January 2022	5,721,974	143,449	5,865,423
Total comprehensive income for the year	48,104	-	48,104
Transfers to and from reserves	(5,250)	5,250	-
Balance at 31 December 2022	5,764,828	148,699	5,913,527

Seventh-day Adventist Church (Greater Sydney Conference) Trust

Cash Flow Statement

For the Year Ended 31 December 2023

	Note	2023 $	2022 $
Cash flows from operating activities:			
Receipts from customers & others		**18,535,466**	19,679,870
Payments to suppliers and employees		**(19,582,131)**	(21,361,491)
Interest received		**373,108**	178,771
Finance costs		**(7,067)**	(2,280)
Net cash (used in) operating activities		**(680,624)**	(1,505,130)
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		**96,699**	31,818
Acquisition of property, plant and equipment		**(256,269)**	(177,337)
Net cash (used in) investing activities		**(159,570)**	(145,519)
Cash flows from financing activities:			
Payment of lease liability		**(343,025)**	(24,970)
Net cash (used in) financing activities		**(343,025)**	(24,970)
Net cash (decrease) in cash and cash equivalents		**(1,183,219)**	(1,675,619)
Cash and cash equivalents at beginning of year		**8,433,133**	10,108,752
Cash and cash equivalents at end of year	16	**7,249,914**	8,433,133

1 Scope of activities

The Seventh-day Adventist Church (Greater Sydney Conference) Trust ("the Trust"), a purpose driven trust, reflects the interest of the Greater Sydney Conference of the Seventh-day Adventist Church ("the Conference") in the activities of the Seventh-day Adventist Church (Greater Sydney Conference) Limited ("the Company") which is a public company limited by guarantee, incorporated in Australia and responsible for the operational activities as delegated by the Executive Committee of the Conference.

The Company was established to facilitate the mission of the Conference and its departments. Its principal activities include:

- employing all Conference staff including ministers but excluding teachers and aged care workers
- receipt and disbursement of tithe and offerings
- Crosslands Youth and Convention Centre
- Adventist Book Centre

The financial report is a general purpose financial report prepared in accordance with the requirements of the South Pacific Division working policy and Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

Seventh-day Adventist Church (Greater Sydney Conference) Trust is a not-for-profit entity for the purpose of preparing the financial statements. The Trust does not have public accountability as defined in AASB 1053 Application of Tiers of Australian Accounting Standards.

The financial report is presented in Australian dollars.

The financial statements for the year ended 31 December 2023 were approved and authorised for issue by the Trustee Company's Board of Directors on 24 June 2024.

2 Change in Accounting Policy

New and amended standards adopted

The Trust has adopted the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adopting of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Trust in either the current or prior financial reporting periods.

AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

This Standard amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates.

AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

Amends AASB 15 to add a new illustrative example (example 7A) which provides an in-depth analysis on the accounting for upfront fees.

2 Change in Accounting Policy

Adoption of these amendments did not have a significant impact on estimates and judgements relative to measurement nor disclosure in the financial statements because the Trust's financial statements complied with Australian Accounting Standards - Simplified Disclosure Requirements.

3 Accounting policies

3.1. General information

The following is a summary of the material accounting policies adopted by the Trust in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below. The financial report complies with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

3.2. Basis of preparation

(i) Application of AASB 101

AASB 101 prescribes the contents and structure of the financial statements. The standard allows not-for-profit entities to use more appropriate terminology to describe line items within the financial statements. Accordingly the net result of the financial activities for the period is referred to as a surplus or deficit rather than profit or loss. The standard also allows statements to be given other titles.

Following are further comments about terminology and other matters in the financial report:

Statement of Profit or Loss and Other Comprehensive Income

The term 'Comprehensive Income Statement' continues to be used as the name to describe the Statement of Profit or Loss and Other Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of ‘other comprehensive income’. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity.

The single statement approach has been adopted to the presentation of the Comprehensive Income Statement.

3 Accounting policies (continued)

3.2. Basis of preparation (continued)

Application of AASB 101 (continued)

Statement of Financial Position

The term 'Balance Sheet' continues to be used as the name to describe the Statement of Financial Position. The financial position of the entity as at the beginning of a comparative financial year will be included in this statement where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of item.

Statement of Cash Flows

The term 'Cash Flow Statement' continues to be used as the name to describe the Statement of Cash Flows.

3.3. Going Concern

The financial statements were prepared on a going concern basis.

3.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

3.5. Inventories

Inventories of goods for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

3.6. Financial instruments

Recognition, initial measurement and derecognition

Financial instruments are recognised initially on the date that the Trust becomes party to the contractual provisions of the financial instrument, and are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred). Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3 Accounting policies (continued)

3.6. Financial instruments (continued)

Classification and subsequent measurement of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into :

- amortised costs
- Fair Value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Trust’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

3 Accounting policies (continued)

3.6. Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVPL. All derivative financial instruments fall into the category, except for those designated and effective as hedging instruments, for which the hedging accounting requirements apply.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the ‘expected credit losses (ECL) model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables and loan commitments that are not measured at fair value through profit or loss.

The Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Trust makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Trust uses its historical experience, external indicators and forward-looking

3 Accounting policies (continued)

3.6. Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

information to calculate the expected credit losses using a provision matrix.

The Trust assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The Trust's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.7. Plant and equipment

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

Items of Plant and Equipment are not capitalised unless their values exceed $1,000 per item or $1,000 per sub-class.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated on a straight-line basis over their useful lives to the Trust commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	
Plant and Equipment	7% - 50%
Furniture, Fixtures and Fittings	10% - 33.33%

3 Accounting policies (continued)

3.7. Plant and equipment (continued)

Class of Asset	
Motor vehicles	15% - 25%
Right-of-use assets	33.33% - 40%

3.8. Impairment of assets

At each reporting date, the Trust reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Comprehensive Income Statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs or the depreciable replacement cost thereof.

3.9. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

3.10. Employee benefits

Provision is made for the Trust's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflows.

3.11. Finance costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in the comprehensive income statement in the period in which they are incurred.

3 Accounting policies (continued)

3.12. Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Trust expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. However, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Trust have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

In cases where there is an "enforceable" contract with a customer with "sufficiently specific" performance obligations, the transaction is accounted for under AASB 15 where income is recognised as or when the performance obligations are satisfied. In all other cases, the transaction is accounted for under AASB 1058 where income is recognised upon receipt.

The recognition of the revenue types are as follows:

Revenue recognised under AASB 15

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

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

All revenue is stated net of the amount of goods and services tax (GST).

Grants are recognised as income when the Trust gains control of the underlying assets.

Grants received on the condition that specified services be delivered, or conditions fulfilled, are considered reciprocal. Reciprocal grants are recognised as income as performance occurs under the grant. Grant funds received in advance of performance are initially recognised as a liability.

3 Accounting policies (continued)

3.12. Revenue (continued)

Revenue recognised under AASB 1058

Non-reciprocal revenue such as donations, appropriations and grants is disclosed on the Comprehensive Income Statement after revenue earned from the provision of goods and/or services.

Revenue from donations is recognised upon receipt.

Grants are recognised as income when the Trust gains control of the underlying assets.

Non-reciprocal grants are recognised as income when the grant is received or receivable.

Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

3.13. 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 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

3.14. Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Comprehensive Income Statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Comprehensive Income Statement.

4 Tax

Seventh-day Adventist Church (Greater Sydney Conference) Limited, a Charitable Institution, is endorsed to access the following tax concessions:

Tax concession	From
GST Concession	3 Nov 2003
FBT Rebate	1 Jan 2004
Income Tax Exemption	1 Jan 2004
Payroll Tax Exemption	3 Nov 2003

The Company is not entitled to receive tax deductible funds.

5 Investment income and finance expense

Interest Revenue

	2023 $	2022 $
Interest from bank	**9,731**	5,250
Cash Management Facility distribution	**363,377**	173,521
Total interest income	**373,108**	178,771

Finance expenses

	2023 $	2022 $
Interest on obligations under leases	**7,067**	2,280
Total finance expenses	**7,067**	2,280

6 Revenue from services provided

Revenue from services provided - AASB 15

	Note	2023 $	2022 $
Revenue from services provided		**2,226,674**	2,238,552
		2,226,674	2,238,552

Revenue from services provided is cost recovery income, being recovery of Administrative wages, Chaplain wages and office costs from Seventh-day Adventist Schools (Greater Sydney) Ltd and Seventh-day Adventist Aged Care (Greater Sydney) Ltd companies, and chaplain wages for prison ministry.

7 Retained tithe

	2023	2022
	$	$
Tithe received	**16,925,661**	17,834,073
Less: Tithe percentages to Union Conference		
Tithe of tithe (10%)	**(1,692,566)**	(1,783,407)
Tithe percentage fund	**(1,709,718)**	(1,783,407)
	13,523,377	14,267,259

There was a significant tithe donation received in 2022.

8 Offerings and donations

	2023	2022
	$	$
Education offering	**193,430**	169,863
Evangelism offering	**67,629**	85,162
Health evangelism	**11,079**	8,622
Legacies and bequests	**10,000**	27,226
	282,138	290,873

9 Appropriations received

	2023	2022
	$	$
AUC appropriation - Mission to the cities and evangelism	**4,011**	34,912
GC, SPD and AUC appropriation - Global mission	**58,000**	93,348
AMN appropriation - literature evangelism	**53,217**	315,694
GSC appropriation - property usage	**963,314**	412,933
GSC appropriation - defibrillators	**-**	(658)
GSC appropriation - ABC	**71,879**	-
	1,150,421	856,229

Of the total appropriations received $62,011 (2022 $128,260) was sourced from tithe.

10 Administrative expense

	2023	2022
	$	$
Staff related expenses	**2,106,431**	1,976,859
ADSAFE levy	**54,972**	51,989
Operations expenses	**900,626**	1,204,610
Occupancy expenses	**125,537**	41,028
	3,187,566	3,274,486

11 Ministry expense

	2023	2022
	$	$
Staff related expenses	**1,456,179**	1,203,512
Operations expenses	**1,522,165**	1,683,467
	2,978,344	2,886,979

12 Field expense

	2023	2022
	$	$
Staff related expenses	**10,940,426**	10,201,118
Operations expenses	**563,148**	556,916
	11,503,574	10,758,034

13 Evangelism expense

	2023	2022
	$	$
Conference	**140,134**	734,404
Global mission	**151,777**	111,681
Local church evangelism	**125,818**	172,092
Cycle of evangelism	**107,929**	-
	525,658	1,018,177

14 Crosslands Youth and Convention Centre expense

	2023	2022
	$	$
Staff related expenses	**480,269**	374,867
Operations expenses	**362,222**	284,608
	842,491	659,475

15 Other information relevant to operating activities

15.1. Revenue and net gains

	2023	2022
	$	$
Net gain/(loss) on disposal of plant and equipment	**82,976**	31,818

15.2. Expense

	2023	2022
	$	$
Depreciation of property plant and equipment	**152,513**	136,646
Depreciation of right-of-use assets	**109,468**	29,139
Depreciation of intangible assets	**9,050**	8,968
Fees paid to Auditors		
General Conference Auditing Service Audit fee	**9,549**	15,348

16 Cash and cash equivalents

	2023	2022
	$	$
Cash on hand	**1,331**	-
Cash at bank	**163,366**	695,505
Cash Management Facility call deposits	**7,235,392**	7,872,246
Less: Cash held for agency	**(150,175)**	(134,618)
	7,249,914	8,433,133

16 Cash and cash equivalents (continued)

Deposits at call

Included in the deposits at call are funds held with the Cash Management Facility (CCMF). In order to ensure that denominational funds in hand are always fully utilised, the South Pacific Division of the Seventh-day Adventist Church has established Division CCMF Limited to provide facilities for their pooling. Funds deposited in the Cash Management Facility operated by that company are unsecured but are available at call. Distributions, paid quarterly to participating denominational entities, are disclosed together with other investment income received by the Trust.

Reconciliation of cash

	2023	2022
	$	$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	**7,249,914**	8,433,133
	7,249,914	8,433,133

17 Cash held for agency

Cash held for agency represents funds held in trust on behalf of third parties, that are set aside for a specific purpose. They are not to be used for the general operations of the Trust. For this reason, they are separated out of cash and cash equivalents.

18 Trade and other receivables

Current

	Note	2023 $	2022 $
Amounts due from related parties			
Denominational entities		**1,783,080**	633,152
Total amounts due from related parties		**1,783,080**	633,152
Other			
Local churches		**1,016,445**	1,832,557
Employees		**76,968**	60,833
Denominational entities		**293,565**	56,943
Loans to employees		**26,390**	38,025
Other receivables		**72,904**	129,322
Expected credit losses	18.1.	**(210,594)**	(204,864)
Total other		**1,275,678**	1,912,816
		3,058,758	2,545,968

Non-current

	2023 $	2022 $
Local churches	**645,597**	-
Other		
Loans to employees	**81,911**	128,876
Other receivables	**16,280**	-
	743,788	128,876

18 Trade and other receivables (continued)

18.1. Impairment of receivables

All of the Trust's trade and other receivables have been reviewed for indicators of impairment. Some local church and employee receivables were found to be impaired, and expected credit losses of $210,594 (2022: $204,864) have been recorded accordingly.

The movement in the expected credit losses can be reconciled as follows:

	2023	2022
	$	$
Reconciliation of expected credit losses		
Balance at beginning of the year	**204,864**	165,953
Increase in allowance	**5,730**	38,911
Balance at end of the year	**210,594**	204,864

19 Inventories

	2023	2022
	$	$
ABC Stock	**263,229**	237,164
Departmental stock	**7,120**	-
Writedowns	**(36,443)**	(44,269)
	233,906	192,895

20 Other assets

Current

	2023	2022
	$	$
Prepayments	**250,495**	114,379
Accrued income	**412,926**	438,848
	663,421	553,227

21 Leases

The Trust has restated comparatives in which the Right-of-use assets were reported as part of the Property, Plant and Equipment note by segregating the asset class as a separate line item in the balance sheet and separate note disclosure.

The Trust as a lessee

The Trust has lease contracts for various items of plant and equipment and buildings used in its operations. Leases of plant and equipment generally have short-term lease terms or leases of low-value assets and buildings generally have lease terms between two and three years.

Right-of-use assets

	2023	2022
	$	$
At Cost	304,285	278,661
Accumulated depreciation	(153,642)	(44,174)
Total	150,643	234,487

Reconciliation of the written down values at the beginning and end of the current and previous financial years are set out below:

Movement in Right-of-use assets

	Zoom equipment	Lease of office building	Other equipment	Total
	$	$	$	$
As at 1 January 2022	3,085	-	-	3,085
Additions	-	260,541	-	260,541
Depreciation expense	(3,085)	(26,054)	-	(29,139)
As at 31 December 2022	-	234,487	-	234,487
Additions	-	25,624	-	25,624
Depreciation expense	-	(109,468)	-	(109,468)
As at 31 December 2023	-	150,643	-	150,643

21 Leases (continued)

Lease liabilities

Lease liabilities are reported as lease liabilities under note 25

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years
	$	$	$
2023			
Lease of office building	**125,163**	**31,291**	**-**
2022			
Lease of office building	109,000	136,250	-

22 Plant and equipment

All property currently used by the Trust is leased. At the request of the Conference any land and buildings owned by Australasian Conference Association Limited ("ACA") on behalf of the Conference may be permitted to be used in conjunction with the activities of the Trust for an agreed fee.

During the period, the Trust acquired plant and equipment with an aggregate cost of $250,869.

	2023	2022
	$	$
Plant and equipment		
At cost	**1,447,018**	1,368,877
Less accumulated depreciation	**(1,215,023)**	(1,179,595)
Total plant and equipment	**231,995**	189,282
Motor vehicles		
At cost	**609,275**	572,090
Less accumulated depreciation	**(400,396)**	(405,131)
Total motor vehicles	**208,879**	166,959
Total property, plant and equipment	**440,874**	356,241

22 Plant and equipment (continued)

Movements in carrying amounts

	Plant and Equipment $	Motor Vehicles $	Total $
Balance at 1 January 2023	1,368,877	572,090	1,940,967
Additions	112,947	137,922	250,869
Disposals	(34,806)	(100,737)	(135,543)
Balance at 31 December 2023	1,447,018	609,275	2,056,293
Depreciation and impairment losses			
Balance at 1 January 2023	(1,179,595)	(405,131)	(1,584,726)
Additions	(69,056)	(83,457)	(152,513)
Disposals	33,629	88,191	121,820
Balance at 31 December 2023	1,215,022	400,397	1,615,419
Carrying amount	231,996	208,878	440,874

23 Intangible assets

Intellectual property used by the Trust is owned by ACA on behalf of the Conference. ACA, at the request of the Conference, has permitted the Company to use the property in conjunction with the activities of the Trust.

While intellectual property contained in intangible assets is owned by ACA, intangible assets such as business/trading names and computer software are held in the name of the Company.

	2023 $	2022 $
Development of Conference website		
Cost	**49,608**	44,208
Accumulated amortisation and impairment	**(33,481)**	(24,431)
Net carrying value	**16,127**	19,777
Total Intangibles	**16,127**	19,777

24 Trade and other payables

Current

	2023	2022
	$	$
Amounts due to related parties		
Denominational entities	**101,121**	22,340
Total amounts due to related parties	**101,121**	22,340
Other		
Other local church accounts	**5,156**	11,383
Denominational entities	**64,951**	398
Employees	**334,108**	369,371
Trade creditors	**422,040**	313,179
Accrued expenses	**346,465**	338,139
Total other	**1,172,720**	1,032,470
	1,273,841	1,054,810

25 Lease liabilities

Current

	2023	2022
	$	$
Lease obligation	**121,894**	102,252
	121,894	102,252

Non-current

	2023	2022
	$	$
Lease obligation	**31,193**	133,319
	31,193	133,319

The Trust has undertaken a lease with Australasian Conference Association Ltd, on behalf of the Division Property Fund of the South Pacific Division (SPD) in 2022. The lease commenced from the 1st of October 2022 for a term of two and a half years. The lease is for the use of part of the premises of the SPD office building at 148 Fox Valley Road, Wahroonga, for the operating activities of the Trust.

26 Provisions

	2023 $	2022 $
Current		
Annual leave provision	**2,712,787**	2,383,686
Long service leave provision	**2,668,322**	2,365,549
National redress provision	**99,327**	150,000
	5,480,436	4,899,235

	2023 $	2022 $
Non-Current		
Long service leave provision	**160,354**	211,642
	160,354	211,642

Movements of provisions

	Employee benefits $	Total $
Balance at 1 January 2023	5,110,877	5,110,877
Provisions made during the year	1,285,496	1,285,496
Provisions used during the year	(551,392)	(551,392)
Provision reversed during the year	(204,191)	(204,191)
Balance at 31 December 2023	5,640,790	5,640,790
Non-current	160,354	160,354
Current	5,480,436	5,480,436
Total	5,640,790	5,640,790

Provision for employee entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in note 3.

27 Other liabilities

Current

	2023	2022
	$	$
Trust accounts	**150,175**	134,618
Deferred Income	**163,342**	149,819
	313,517	284,437

28 Reserves

Fixed asset replacement reserve

The fixed asset replacement reserve records funds to be used for the future purchase of plant and equipment.

29 Denominational equity

The concept of ownership is not appropriate as all dispositions received by the Trust are to be applied to the charitable purposes set out in its constitution. While the constitution indicates that property and income is to be held and applied solely for the purposes of the Trust and of the Conference and of the Church the property and income held belongs to the Trust as trustee of the purpose trust set out in the constitution. Hence all such dispositions received have been recorded as revenue regardless of intended use whether stipulated by the donor or not.

Consequently equity has been classified as retained earnings rather than as contributed equity and is termed Denominational Equity.

29 Denominational equity (continued)

Use of tithe

	Note	2023 $	2022 $
Retained tithe	7	**13,523,377**	14,267,259
Tithe funds retained		**13,523,377**	14,267,259
Expenditure for which tithe may be used			
Field expense	12	**(11,503,574)**	(10,758,033)
Evangelism	13	**(525,658)**	(1,018,177)
Ministry expense	11	**(2,978,344)**	(2,886,979)
Crosslands Youth and Convention Centre expense	14	**(842,491)**	(659,475)
Administrative expense	10	**(3,187,566)**	(3,274,486)
		(19,037,633)	(18,597,150)
Less related income			
Ministry income		**368,592**	403,840
Crosslands Youth and Convention Centre		**735,019**	556,543
Total related income		**1,103,611**	960,383
Expenditure for which tithe may be used (net)		**(17,934,022)**	(17,636,767)
Shortfall of tithe to meet allowable expenditure		**(4,410,645)**	(3,369,508)
Balance of unspent tithe from previous year		**-**	-
Excess expenditure funded from other sources		**4,410,645**	3,369,508
Balance of unspent tithe at end of year		**-**	-

Use of tithe is in harmony with the South Pacific Division philosophy of accounting for tithe and denominational guidelines on the treatment of tithe. Any excess of tithe funds over allowable expenditure is deposited into a Cash Management Facility account.

29 Denominational equity (continued)

Capital management

When managing capital, management's objective is to ensure the Trust continues as a going concern. Management also aims to maintain a cost structure that ensures the lowest cost of capital available to the Trust.

Management also monitors working capital and liquidity in accordance with the recommendations as outlined in the South Pacific Division Working Policy FIN.10.10 *Working Capital*.

When the available working capital is less than 100% of the recommendation and/or the liquid assets on hand are inadequate to cover current liabilities and allocated funds, the Trust will make provision for covering such deficiencies in ensuing years in accordance with South Pacific Division Working Policy FIN.10.50 *Financial Control*.

The Trust has no other externally imposed capital management requirements.

There were no changes in the Trust's approach to capital management during the year.

SPD Working Policy Fin 10.10 Working Capital set out the need for denominational entities to build up reasonable reserves of working capital in preparation for unfavourable times, including holding a significant portion of available working capital in liquid assets.

A revised policy has been adopted resulting in the Conference needing to prepare a Working Capital and Liquid Asset Report instead of the Statement of Working Capital & Liquidity as reported in prior periods. The report inclues an expanded table with a revised measurement in terms of core expenses, the financial impact on available working capital, and an expression of the recommended minimum working capital in terms of months.

29 Denominational equity (continued)

Working Capital and Liquid Asset Report

	2023	2022
	$	$
Core Expenses:		
Operating expenses	**18,585,030**	18,068,622
Net Outgoing appropriations	**-**	8,425
Total Core Expenses	**18,585,030**	18,077,047
Available Working Capital:		
Current assets	**11,356,174**	11,859,841
Minus: Current liabilities	**7,189,688**	6,340,734
Working Capital	**4,166,486**	5,519,107
Minus: Current assets held for donor restrictions	**(1,084,502)**	(1,122,923)
Minus: Current assets held for mandated purpose	**-**	-
Available Working Capital	**3,081,984**	4,396,184
Recommended Minimum Available Working Capital:		
Six months of Core expenses (50% of Core Expenses)	**9,292,515**	9,038,524
Surplus/(shortfall) in Recommended Minimum Available Working Capital	**(6,210,531)**	(4,642,340)
Available Working Capital in Months (A minimum of 6 months is recommended)	**2 Months**	3 Months
Available Liquid Assets:		
Cash and cash equivalents	**7,400,089**	8,567,751
Local Church Remittances, as applicable	**1,444,580**	1,459,226
Receivable from Higher Organisations	**169,396**	11,157
Total Liquid Assets	**9,014,065**	10,038,134
Minus: Current Liabilities	**(7,189,688)**	(6,340,734)
Minus: Current Assets held for donor restrictions	**(1,084,502)**	(1,122,923)
Available Liquid Assets	**739,875**	2,574,477
Recommended Minimum Available Liquid Assets:		
Three months of Core Expenses (25% of Core Expenses)	**4,646,258**	4,519,262
Surplus/(shortfall) in Recommended Minimum Available Liquid Assets	**(3,906,383)**	(1,944,785)
Available Liquid Assets in Months (A minimum of 3 months is recommended)	**- Months**	2 Months

29 Denominational equity (continued)

Analysis of denominational equity incl Net invested in plant assets

	Note	2023 $	2022 $
Unspent tithe	29	**-**	-
Other Allocated equity		**934,327**	988,306
Net invested in plant assets	22	**440,874**	356,241
Other non-tithe funds		**3,789,605**	4,420,281
		5,164,806	5,764,828

Net invested in plant assets

The net invested in plant fund assets represents total net depreciated value of the various categories of fixed assets less related debt balances.

30 Contingent liabilities

A number of claims have been made against the Seventh-day Adventist Church in Australia to the Royal Commission into Institutional Responses to Child Sexual Abuse. It is uncertain how many of these claims relate to the Trust. The potential does exist that the Trust will need to provide redress on some of these claims. We are aware of some claims, and have made a provision accordingly. Whilst the Trust has elected to create a provision for redress (refer note 25) it is possible that the final redress to be covered by the Trust either exceeds or may be less than the amount provided. At the date of this report the number of claims applicable to the Trust and the value of redress is uncertain.

31 Related party transactions

The Trust's related parties include its key management personnel, employees and related entities.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Key management personnel of the Trust are members of the executive management team. Key management personnel did not receive any remuneration other than in their capacity as key management personnel.

	2023 $	2022 $
Total/attributed key management personnel compensation	**704,461**	747,766
Total	**704,461**	747,766

31 Related party transactions (continued)

Other related party transactions and balances

During the financial period, the Trust entered the following trading transactions with related parties:

	Nature of transactions	2023 $	2022 $
Seventh-day Adventist Schools (Greater Sydney) Trust	Wage & office cost recoveries, tithe from Schools	**3,584,096**	3,716,102
Seventh-day Adventist Schools (Greater Sydney) Trust	Education tithe appropriation & school offerings	**(1,084,482)**	(1,189,513)
Seventh-day Adventist Church Greater Sydney Conference	Appropriations for property usage & Evangelism	**1,244,439**	1,023,817
Seventh-day Adventist Church Greater Sydney Conference	Property usage expenses & SASBMF offerings	**(456,213)**	(613,811)
Seventh-day Adventist Aged Care (Greater Sydney) Trust	Wage & office recoveries, tithe from Aged Care	**592,127**	505,990
Seventh-day Adventist Church (AUC) Trust	Appropriations for Mission to the Cities & tithe from AUC	**61,428**	441,917
Seventh-day Adventist Church (AUC) Trust	Pathfinder & Adventurer purchases, media contribution & PARL service share	**(253,745)**	(265,653)

The following balances were outstanding with related parties at the end of the financial period.

December 2023	**Amounts owed by related parties** $	**Amounts owed to related parties** $
Seventh-day Adventist Schools (Greater Sydney) Trust	**386,506**	**-**
Seventh-day Adventist Church Greater Sydney Conference	**862,983**	**-**
Seventh-day Adventist Aged Care (Greater Sydney Trust)	**533,591**	**-**
Seventh-day Adventist Church (AUC) Limited	**-**	**101,121**
	1,783,080	**101,121**

31 Related party transactions (continued)

December 2022	Amounts owed by related parties $	Amounts owed to related parties $
Seventh-day Adventist Schools (Greater Sydney) Trust	185,670	-
Seventh-day Adventist Church Greater Sydney Conference	439,323	-
Seventh-day Adventist Aged Care (Greater Sydney Trust)	8,159	-
Seventh-day Adventist Church (AUC) Limited	-	22,340
	633,152	22,340

32 Events after the balance sheet date

The financial report was authorised for issue on 24 June 2024 by the board of Responsible Entities of the trustee company.

No other events have taken place which will have a material effect on this financial report.

33 Company details

The registered office of the trustee company is:

Seventh-day Adventist Church (Greater Sydney Conference) Limited

No. 148 Fox Valley Road

Wahroonga NSW 2076

Responsible Persons' Declaration

The Responsible Persons of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 32:

    (a) comply with Australian Accounting Standards - Simplified Disclosure Requirements including the Australian Accounting interpretations and the Australian Charities and Not-for-Profits Commission Regulation 2022; and

    (b) give a true and fair view of the financial position as at 31 December 2023 and of its performance of the year ended on that date.

2. In the Responsible Persons' 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.

This declaration is made in accordance with a resolution of the Board of Responsible Persons of the Trustee Company:.

Director .... Nadelle Manners (CFO)

Dated 24/06/2024

General Conference Auditing Service
Delivering Excellence!

AUDITOR'S REPORT

To the Trustee
Seventh-day Adventist Church (Greater Sydney Conference) Trust
Wahroonga, New South Wales, Australia

Opinion

We have audited the financial report of Seventh-day Adventist Church (Greater Sydney Conference) Trust (the Organisation), which comprises the balance sheets as at 31 December 2023 and 2022, and the comprehensive income statements, statements of changes in equity and cash flow statements for the years then ended, and notes to the financial statements, including a summary of significant accounting policies, and a responsible entities' declaration.

In our opinion, as auditors of the General Conference of Seventh-day Adventists, the accompanying financial report presents fairly, in all material respects, the financial position of the Organisation as at 31 December 2023 and 2022, and of its financial performance and its cash flows for the years then ended in accordance with Australian accounting standards (AASBs) as applicable to not-for-profit organisations adopted by the Seventh-day Adventist denomination.

Basis for Opinion

We conducted our audits in accordance with Australian Standards on Auditing (ASAs), except the ethical requirement for the appearance of independence. 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 Organisation in accordance with the ethical requirements that are relevant to our audits of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements, except the ethical requirement for the appearance of independence, because of our affiliation with the Seventh-day Adventist denomination. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

In connection with our audits, we have also issued a report dated 24 June 2024 regarding compliance with the Working Policy of the General Conference of Seventh-day Adventists, South Pacific Division.

Locked Bag 2014
148 Fox Valley Road
Wahroonga NSW 2076
Australia
Tel +61 (0)2 9847 3402
www.gcasconnect.org

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with AASBs adopted by the Seventh-day Adventist denomination, and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Organisation'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 management either intend to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation'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 ASAs 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 ASAs, we exercise professional judgment and maintain professional skepticism 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 Organisation'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 Organisation'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 Organisation to cease to continue as a going concern.

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

General Conference Auditing Service

24 June 2024