Greater Sydney Conference of the Seventh-day Adventist Church

Financial Statements

For the Year Ended 31 December 2022

Greater Sydney Conference of the Seventh-day Adventist Church

For the Year Ended 31 December 2022

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Greater Sydney Conference of the Seventh-day Adventist Church

Comprehensive Income Statement

For the Year Ended 31 December 2022

	Note	2022 $	2021 $
Revenue recognised under AASB 15			
Property usage fee income		**5,135,706**	4,428,947
Rental income		**679,828**	642,725
Gain on disposal of assets	6	**11,527,858**	4,269,756
Profit on investment earnings		**34,370**	-
Other income		**26,435**	16,991
Total revenue recognised under AASB 15		**17,404,197**	9,358,419
Revenue recognised under AASB 1058			
Appropriations received	7	**687,421**	690,109
Deductible gift recipient income		**200,039**	190,767
Total revenue recognised under AASB 1058		**887,460**	880,876
Investment income	5	**397,273**	61,170
Total revenue		**18,688,930**	10,300,465
Expense			
Appropriations given		**(3,879,374)**	(7,588,061)
Deductible gift recipient expenses		**(72,747)**	(109,481)
Session expenses		**(43,087)**	-
Property expenses		**(5,798,643)**	(5,561,447)
Finance costs		**(686,206)**	(438,951)
Other expenses	8	**(60,205)**	(66,558)
Total expense		**(10,540,262)**	(13,764,498)
Surplus/(deficit) before income tax		**8,148,668**	(3,464,033)
Income tax	4	**-**	-
Net surplus/(deficit)		**8,148,668**	(3,464,033)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**8,148,668**	(3,464,033)

Greater Sydney Conference of the Seventh-day Adventist Church

Balance Sheet

As At 31 December 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**18,032,636**	23,742,453
Trade and other receivables	11	**2,437,722**	2,307,236
Other assets	13	**52,660**	72,894
Assets held for sale	14	**4,913,311**	4,988,566
Total current assets		**25,436,329**	31,111,149
Non-current assets			
Trade and other receivables	11	**20,322,237**	21,216,072
Investment property	15	**4,230,821**	4,230,821
Financial investment	12	**8,034,369**	-
Land, improvements and buildings	16	**173,721,730**	177,714,319
Right of use assets	17	**121,915**	-
Total non-current assets		**206,431,072**	203,161,212
TOTAL ASSETS		**231,867,401**	234,272,361
LIABILITIES			
Current liabilities			
Trade and other payables	18	**587,552**	165,070
Financial liabilities	19	**2,074,111**	1,979,363
Other liabilities	20	**4,529,083**	14,534,197
Total current liabilities		**7,190,746**	16,678,630
Non-current liabilities			
Trade and other payables	18	**96,658,249**	95,750,705
Financial liabilities	19	**17,648,753**	19,622,041
Total non-current liabilities		**114,307,002**	115,372,746
TOTAL LIABILITIES		**121,497,748**	132,051,376
NET ASSETS		**110,369,653**	102,220,985
EQUITY AND LIABILITIES			
Reserves	21	**5,729,192**	5,497,668
Denominational equity	22	**104,640,461**	96,723,317
TOTAL EQUITY		**110,369,653**	102,220,985

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

Greater Sydney Conference of the Seventh-day Adventist Church

Statement of Changes in Equity

For the Year Ended 31 December 2022

	Denominational equity	Fixed Assets Replacement Reserve	Deductible Gifts Reserve	Total
	$	$	$	$
Balance at 1 January 2022	**96,723,317**	**5,049,718**	**447,950**	**102,220,985**
Total comprehensive income for the year	**8,148,668**	**-**	**-**	**8,148,668**
Transfers to and from reserves	**(231,522)**	**104,231**	**127,291**	**-**
Balance at 31 December 2022	**104,640,463**	**5,153,949**	**575,241**	**110,369,653**

	Denominational equity	Fixed Assets Replacement Reserve	Deductible Gifts Reserve	Total
	$	$	$	$
Balance at 1 January 2021	100,941,937	4,376,417	366,664	105,685,018
Total comprehensive income for the year	(3,464,033)	-	-	(3,464,033)
Transfers to and from reserves	(754,587)	673,301	81,286	-
Balance at 31 December 2021	96,723,317	5,049,718	447,950	102,220,985

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

Greater Sydney Conference of the Seventh-day Adventist Church

Cash Flow Statement

For the Year Ended 31 December 2022

	Note	2022 $	2021 $
Cash flows from operating activities:			
Receipts from donors, customers and others		**18,975,409**	18,229,388
Payments to suppliers and others		**(11,484,996)**	(10,849,377)
Interest received		**431,643**	61,170
Finance costs		**(686,206)**	(438,951)
Net cash provided by operating activities		**7,235,850**	7,002,230
Cash flows from investing activities:			
Payments to acquire land, improvements and buildings		**(6,844,106)**	(3,597,348)
Proceeds for land, improvements and buildings		**1,875,000**	4,902,921
Payment to acquire financial assets		**(8,034,369)**	-
Loan repayments received		**1,024,321**	2,080,238
Net cash provided by/(used in) investing activities		**(11,979,154)**	3,385,811
Cash flows from financing activities:			
Repayment of borrowings		**(1,973,288)**	(2,029,456)
Additions to borrowings		**1,002,292**	1,052,195
Net cash (used in)/provided by financing activities		**(970,996)**	(977,261)
Net cash increase in cash and cash equivalents		**(5,714,300)**	9,410,780
Cash and cash equivalents at beginning of year		**23,742,453**	10,056,462
Movements in trust funds		**4,483**	4,275,211
Cash and cash equivalents at end of year	10(b)	**18,032,636**	23,742,453

1 Scope of activities

These financial statements reflect property and activities which have not been delegated by the Executive Committee of the Greater Sydney Conference of the Seventh-day Adventist Church ("the Conference") to any of its affiliated entities. Legal title to such property is held by Australasian Conference Association Limited (ACA) on behalf of the Conference. These financial statements cover properties held by the Conference pertaining to Aged Care, Church and School activities.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards – Simplified Disclosure and the interpretations of the Australian Accounting Standards Board.

The Greater Sydney Conference of the Seventh-day Adventist Church is a not-for-profit entity for the purpose of preparing the financial statements and domiciled in Australia.

The financial report is presented in Australian currency.

2 Change in accounting policies

New and amended standards adopted

The Conference has now adopted:

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures of For-Profit and Not-for-Profit Tier 2 Entities. The AASB developed AASB 1060, a new simplified disclosure standard based on IFRS for Small and Medium-sized Entities, to replace the reduced disclosure requirements. These simplified disclosure requirements are not collated in a single disclosure standard.

- AASB 2021-1 Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosure for Not-for-Profit Entities, and

- the revised Conceptual Framework for Financial Reporting

for the first time in these financial statements. These standards update the mandatory presentation and disclosure to be made in a general purpose financial report for Tier 2 reporting entities. Apart from the change in presentation and disclosure requirements, the adoption of AASB 1060 and AASB 2021-1 has had no material impact on the Conference and there is no change to the recognition and measurement applied in the balance sheet, comprehensive income statement and cash flows statement of the Conference because the Conference 's previous financial statements complied with Australian Accounting Standards - Reduced Disclosure Requirements.

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

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

New and revised standards and interpretations that are issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The responsible entities have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any impact on the reported position or performance of the Conference.

2 Change in accounting policies (continued)

Statement of compliance

The Conference does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply 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 Accounting policies

(a) General information

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have 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.

(b) Basis of preparation

Application of AASB 101

AASB 101 prescribes the contents and structure of financial statements. The standard allows not-for-profit entities to use more appropriate terminology to describe line items within 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 Surplus or Deficit 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 surplus or deficit 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.

Statement of Financial Position

The term 'Balance Sheet' continues to be used as the name to describe the Statement of Financial

3 Accounting policies (continued)

(b) Basis of preparation (continued)

Application of AASB 101 (continued)
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.

(c) Going Concern

The financial report has been prepared on the going concern basis.

(d) Comparative figures

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

(e) 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.

(f) Financial instruments

Recognition, initial measurement and derecognition

Financial instruments are recognised initially on the date that the Conference 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)

(f) 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 Conference changes its business model for managing 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 Conference’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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.

3 Accounting policies (continued)

(f) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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 Conference 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 Conference 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 Conference uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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

3 Accounting policies (continued)

(f) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Classification and measurement of financial liabilities

The Conference's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Conference 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.

(g) Land, improvements and buildings

Each class of land, improvements and buildings are carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Items of land, improvements and buildings 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 buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Conference 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	Depreciation Rates
Buildings	2 - 33%
Improvements	2 - 15%

(h) Impairment of assets

At each reporting date, the Conference 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the Conference estimates the recoverable amount of the cash-generating unit to which the asset belongs or the

3 Accounting policies (continued)

(h) Impairment of assets (continued)

depreciable replacement cost thereof.

(i) 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 Conference 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 Conference 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from 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 Conference 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)

(i) 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.

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.

(j) 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.

(k) Critical accounting estimates and judgments

The management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Conference.

4 Tax

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

Tax Concession	From
GST Concession	1 July 2005
FBT Rebate	1 July 2005
Income Tax Exemption	1 July 2000

The Conference operates the following Deductible Gift Recipient funds:

Name	From
Seventh-day Adventist schools building and maintenance fund	1 July 2000
Greater Sydney Conference fund for needy persons	1 July 2000
Greater Sydney Conference fund for religious instruction in government schools	1 July 2000
Sydney Adventist Schools library fund	1 July 2000

5 Investment income

	2022	2021
	$	$
CMF distribution	**391,647**	52,699
Bank interest	**5,626**	8,471
	397,273	61,170

6 Gain on sale of assets

	2022	2021
	$	$
Gain on disposal of assets	**11,527,858**	4,269,756
	11,527,858	4,269,756

The gain on disposal of assets is related to the sale of 4 Cambridge St, Epping and 8 Yiremba Place, Forestville. The final settlement of the Epping property occurred on the 21 January 2022 for $15,400,000 (excl. GST) and final settlement of the Forestville property occurred on the 11 July 2022 for $1,875,000 (excl. GST). The total gain on sale includes the disposal of the land value, which is $3,234,174 and minus the remainder of other costs related to the sale of both properties.

7 Appropriations received

	2022	2021
	$	$
Appropriations for capital funding	**658**	240,620
Schools recovery	**686,763**	449,489
	687,421	690,109

8 Other expenses

	2022	2021
	$	$
Administrative expenses	**56,393**	57,012
Bad and doubtful debts	**(4,000)**	(4,000)
	52,393	53,012

9 Other information relevant to operating activities

Expense

	2022 $	2021 $
Depreciation of improvements and buildings	**5,154,296**	5,049,718
Fees paid to auditor		
GCAS - Auditing or reviewing the financial report	**7,814**	13,550

10 Cash and cash equivalents

	Note	2022 $	2021 $
Cash at bank		**543,035**	10,091,805
Cash Management Facility	10(a)	**17,489,601**	13,650,648
		18,032,636	23,742,453

(a) Cash Management Facility

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 with other investment income.

(b) Reconciliation of cash

	2022 $	2021 $
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	**18,032,636**	23,742,453
	18,032,636	23,742,453

11 Trade and other receivables

Current

	2022	2021
	$	$
Denominational entities	**2,068**	267,367
Returnable bonds	**94,455**	43,875
Seventh-day Adventist Schools (Greater Sydney) Limited	**2,275,186**	1,945,027
Loans to churches	**22,936**	31,136
Other receivables	**43,077**	19,831
	2,437,722	2,307,236

Non-current

	2022	2021
	$	$
Seventh-day Adventist Church (Greater Sydney Conference) Limited	**-**	1,302,796
Seventh-day Adventist Schools (Greater Sydney) Limited	**19,662,623**	19,228,201
Loans to churches	**727,817**	757,278
Expected credit losses	**(68,203)**	(72,203)
	20,322,237	21,216,072

Expected credit losses

All of the Conference's trade and other receivables have been reviewed for indicators of impairment. Certain non-current receivables were found to be impaired and an allowance for credit losses of $68,203 (2021: $72,203) has been recorded accordingly within other expenses.

There were no other movements in the expected credit losses during the current year. A review by management of all accounts at the end of 2022 indicated that no other adjustment to the allowance was considered necessary.

12 Financial instruments

Non-current

	2022	2021
	$	$
Amortised costs		
Investment	**4,537,327**	-
	4,537,327	-

12 Financial instruments (continued)

Non-current (continued)

	2022	2021
	$	$
Fair value through profit or loss		
Investment	**3,497,042**	-
	3,497,042	-
	8,034,369	-

Financial investments include investments in term deposits and government bonds..

13 Other assets

	2022	2021
	$	$
Prepayments	**42,275**	64,533
Accrued income	**10,385**	8,361
	52,660	72,894

14 Assets held for sale

	2022	2021
	$	$
Current		
Land held for sale	**1,080,295**	1,080,295
Improvements	**3,833,016**	3,908,271
	4,913,311	4,988,566

14 Assets held for sale (continued)

Movements in balances

	Land	Improvements	Total
	$	$	$
Balance at 1 January 2021	-	-	-
Additions			
Rouse Hill	1,080,295	-	1,080,295
Epping	-	3,908,271	3,908,271
Balance at 31 December 2021	1,080,295	3,908,271	4,988,566
Additions			
Rouse Hill	-	3,833,016	3,833,016
Disposals			
Epping	-	(3,908,271)	(3,908,271)
Balance at 31 December 2022	**1,080,295**	**3,833,016**	**4,913,311**

Land held for sale includes Rouse Hill land committed for sale in early 2023.

15 Investment Properties

	2022	2021
	$	$
At cost		
Dapto land	**3,904,391**	3,904,391
Rouse Hill land	**326,430**	326,430
	4,230,821	4,230,821

16 Land, improvements and buildings

Australasian Conference Association Limited holds legal title to land and buildings used by the Conference in its capacity as Property Trustee for the entity. Except as outlined below such property is recorded by this entity rather than by the Property Trustee.

In its responsibility for the "sisterhood" of churches, this entity holds property for use by local congregations. Legal title to such property is held by the Property Trustee. The cost of these properties has not been recorded by this entity as such property is paid for and operated by those congregations.

	2022	2021
	$	$
Land	**25,553,141**	24,463,141
Land improvements	**16,460,115**	16,244,422
Accumulated depreciation land improvements	**(5,378,579)**	(4,651,573)
Total land improvements	**11,081,536**	11,592,849

16 Land, improvements and buildings (continued)

	2022 $	2021 $
Buildings	**180,340,773**	180,756,402
Accumulated depreciation buildings	**(45,451,123)**	(41,139,526)
Total buildings	**134,889,650**	139,616,876
Total land, improvements and buildings	**171,524,327**	175,672,866
Capital Works in Progress	**2,197,403**	2,041,453
Total land, improvements, buildings and works in progress	**173,721,730**	177,714,319

Movements in carrying amounts

	Capital Works in Progress $	Land $	Land Improvements $	Buildings $	Total $
Cost					
Balance at 1 January 2022	**2,041,453**	**24,463,141**	**16,244,422**	**180,756,402**	**223,505,418**
Additions	**6,724,175**	**2,100,000**	**208,861**	**161,791**	**9,194,827**
Disposals	**-**	**(1,010,000)**	**-**	**(955,075)**	**(1,965,075)**
Transfers	**(6,568,225)**	**-**	**6,832**	**377,655**	**(6,183,738)**
Balance at 31 December 2022	**2,197,403**	**25,553,141**	**16,460,115**	**180,340,773**	**224,551,432**
Depreciation and impairment losses					
Balance at 1 January 2022	**-**	**-**	**(4,651,573)**	**(41,139,526)**	**(45,791,099)**
Additions	**-**	**-**	**(727,006)**	**(4,427,155)**	**(5,154,161)**
Disposals	**-**	**-**	**-**	**115,558**	**115,558**
Balance at 31 December 2022	**-**	**-**	**(5,378,579)**	**(45,451,123)**	**(50,829,702)**
Carrying amount	**2,197,403**	**25,553,141**	**11,081,536**	**134,889,650**	**173,721,730**

17 Leases

Right-of-use assets

The Conference 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. Adventist Book Centre store is being leased by Greater Sydney Conference of the Seventh-day Adventist Church on a short-term lease with a thrid party.

Right-of-use assets

	2022	2021
	$	$
At deemed cost	**159,020**	-
Accumulated depreciation	**(37,105)**	-
Total	**121,915**	-

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Right of use	Total
	$	$
As at 1 January 2022	-	-
Additions	159,020	159,020
Depreciation expense	(37,105)	(37,105)
As at 31 December 2022	121,915	121,915

Lease liabilities

Lease liabilities are reported part of financial liabilities under note 19.

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	Total undiscounted lease liabilities
	$	$	$	$
2022				
Lease payments	**63,413**	**59,139**	**-**	**122,552**

18 Trade and other payables

Current

	2022 $	2021 $
Denominational entities	**467,430**	-
Accrued expenses	**52,590**	24,067
Trade creditors	**13,492**	90,602
Other payables	**54,040**	50,401
	587,552	165,070

Non-current

	2022 $	2021 $
Loan payable Adventist Aged Care (Greater Sydney) Ltd	**45,451,977**	47,523,115
Loan payable Division CCMF Ltd	**2,314,567**	2,550,000
Seventh-day Adventist Schools (Greater Sydney) Ltd	**48,891,705**	45,677,590
	96,658,249	95,750,705

19 Financial liabilities

Current

	2022 $	2021 $
Bank loan National Australia Bank	**399,982**	368,647
Finance lease obligation	**63,413**	-
Bank loan Westpac	**1,610,716**	1,610,716
	2,074,111	1,979,363

Non-current

	2022 $	2021 $
Bank loan National Australia Bank	**654,152**	1,054,134
Bank loan Westpac	**16,935,462**	18,567,907
Finance lease obligation	**59,139**	-
	17,648,753	19,622,041

20 Other liabilities

	2022 $	2021 $
Trust accounts	**4,529,083**	4,524,602
Deferred income	**-**	10,009,595
	4,529,083	14,534,197

21 Reserves

Asset replacement reserve

The asset replacement reserve records funds to be used for the future purchase of buildings and land improvements.

Deductible gift recipient reserve

The donations reserve records deductible gift recipient funds set aside for specified projects.

22 Denominational equity

The concept of ownership is not appropriate as all dispositions received by this entity are to be applied to the charitable purposes set out in its constitution. 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.

Analysis of denominational equity

	2022	2021
	$	$
Allocated equity	**823,223**	815,649
Unallocated equity	**103,817,238**	95,907,668
	104,640,461	96,723,317

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

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 requirement and/or the liquid assets on hand are inadequate to cover current liabilities and allocated funds, the Conference will make provision for covering such deficiencies in ensuing years in accordance with South Pacific Division Working Policy FIN.10.50 *Financial Control*.

The Conference has no other externally imposed capital management requirements.

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

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

A revised policy has been adopted resulting in the Conference needing to prepare a Workking Capital and Liquid Asset Report instead of the Statement of Working Capital & Liquidity as reported in prior periods. The report includes 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.

22 Denominational equity (continued)

Working Capital and Liquid Asset Report

	2022 $	2021 $
Core Expenses:		
Operating expenses	**5,385,966**	8,714,780
Net Outgoing appropriations	**3,191,953**	6,897,952
Total Core Expenses	**8,577,919**	15,612,732
Available Working Capital:		
Current assets	**25,436,329**	31,111,149
Minus: Current liabilities	**(7,190,746)**	(16,678,630)
Working Capital	**18,245,583**	14,432,519
Minus: Current assets held for donor restrictions	**(5,096,131)**	(5,091,650)
Available Working Capital	**13,149,452**	9,340,869
Recommended Minimum Available Working Capital:		
Six months of Core expenses (50% of Core Expenses)	**4,288,960**	7,806,366
Surplus/(shortfall) in Recommended Minimum Available Working Capital	**8,860,492**	1,534,503
Available Working Capital in Months (A minimum of 6 months is recommended)	**18 Months**	7 Months
Available Liquid Assets:		
Cash and cash equivalents	**18,032,636**	23,742,453
Receivable from Higher Organisations	**-**	-
Total Liquid Assets	**18,032,636**	23,742,453
Minus: Current Liabilities	**(7,190,746)**	(16,678,630)
Minus: Current Assets held to safeguard employee entitlements	**(5,096,131)**	(5,091,650)
Available Liquid Assets	**5,745,759**	1,972,173
Recommended Minimum Available Liquid Assets:		
Three months of Core Expenses (25% of Core Expenses)	**2,144,480**	3,903,183
Surplus/(shortfall) in Recommended Minimum Available Liquid Assets	**3,601,279**	(1,931,010)
Available Liquid Assets in Months (A minimum of 3 months is recommended)	**8 Months**	2 Months

23 Capital expenditure commitments

	2022	2021
	$	$
Capital expenditure commitments contracted for:		
Seventh-day Adventist Schools (Greater Sydney) Limited	**4,402,410**	3,714,910
	4,402,410	3,714,910

24 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2022	2021
	$	$
ACA Revolving Loans - Churches	**685,249**	928,033
Total Contingent Liability	**685,249**	928,033

Local churches within the Conference may have additional building projects that are funded by their own reserves, in excess of loans which are listed above. These projects may include contractual arrangements with third parties for delivery of goods and services which would have a potential exposure for the Conference, in the event of default.

25 Related party transactions

The Conference related parties include its key management personnel 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.

As the Conference does not have any employees, it has incurred no cost in respect of key management personnel.

The following transactions occurred with related parties:

During 2022, the Conference incurred costs amounting to $1,041,840 (2021: $329,205) from Seventh-day Adventist Church (Greater Sydney Conference) Limited. Three responsible parties are common with this entity. The amounts billed by the Conference, related to this entity are $634,452 (2021: $426,700). The amounts are based on normal market rates and the amount receivable at reporting date is $439,323 (2021: $267,169). The Conference also has a non-current receivable with Seventh-day Adventist Church (Greater Sydney Conference) Limited for the amount $0 (2021: $1,302,796).

During 2022, the Conference incurred costs amounting to $6,282 (2021: $48,851) from Seventh-day Adventist Schools (Greater Sydney) Limited. Three responsible parties are common with this entity. The amounts billed by the Conference, related to this entity are $13,461 (2021: $48,500). The amounts are based on normal market rates and the amount receivable at reporting date is $2,068 (2021: $198). The Conference also has a non-current payable with Seventh-day Adventist Schools (Greater Sydney) Limited for the amount of $48,891,706 (2021: $45,679,041) and a receivable of $21,937,809 (2021: $21,173,228).

25 Related party transactions (continued)

During 2022, the Conference incurred costs amounting to $29,978 (2021: $39,290) from the Seventh-day Adventist Aged Care (Greater Sydney) Limited. Three responsible parties are common with this entity. The amounts billed by the Conference, related to this entity are $0 (2021: $0). The amounts are based on normal market rates and the amount payable at reporting date is $28,107 (2021: $0). The Conference also has a non-current payable with Seventh-day Adventist Aged Care (Greater Sydney) Limited for the amount $45,451,977 (2021: $47,523,115).

26 Key Management Personnel Compensation

No renumeration has been paid for Key Management Personnel as personnel are employed by Seventh-day Adventist Church (Greater Sydney Conference) Ltd.

27 Events after the balance sheet date

The financial report was authorised for issue on 15 May 2023 by the Responsible Entities.

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

Greater Sydney Conference of the Seventh-day Adventist Church

Responsible Entities Declaration

The Responsible Entities of the Conference, being the members of the Executive Committee, declare that:

1. The financial statements and notes, as set out on pages 1 to 25:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements including the Australian Accounting interpretations and the Australian Charities and Not-for-Profits Commission Regulation 2013; and

   (b) give a true and fair view of the financial position as at 31 December 2022 and of its performance of the year ended on that date.

2. In the Responsible Entities' opinion, there are reasonable grounds to believe that the Conference 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 Responsible Entities of the Conference.

Chief Financial Officer ....

Dated 15 May 2023

General Conference Auditing Service
Delivering Excellence!

AUDITOR'S REPORT

To the Executive Committee
Greater Sydney Conference of the Seventh-day Adventist Church
Wahroonga, NSW, Australia

Opinion

We have audited the accompanying financial report of Greater Sydney Conference of the Seventh-day Adventist Church (the "Organisation"), which comprises the Balance Sheets as at 31 December 2022 and 2021, and the Comprehensive Income Statements, Statements of Changes in Equity, and Cash Flow Statements for the years then ended, 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 2022 and 2021, 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 date regarding compliance with the Working Policy of the General Conference of Seventh-day Adventists, South Pacific Division.

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Responsibilities of Responsible Entities for the Financial Report

The Responsible Entities are 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 the Responsible Entities determine 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, the Responsible Entities are 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 the Responsible Entities either intend to liquidate the Organisation or to cease operations, or have 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

15 May 2023