

NewHope Baptist Church

ABN 76 994 595 338

Financial Statements

For the Year Ended 31 December 2022

NewHope Baptist Church

ABN 76 994 595 338

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For the Year Ended 31 December 2022

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NewHope Baptist Church

ABN 76 994 595 338

Councillors' Report 31 December 2022

The Church Council presents their report, together with the financial statements of the Group, being the Church and its controlled entities, for the financial year ended 31 December 2022.

General information

Church Council Members

The names of the Church Council members in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Murray Baird		
Amanda Carruthers	Church Secretary	
Allan Demond	Senior Pastor - ex officio	
Tristan Ellett		
Andrew Gale	Finance Director	Acting Chair from 23 February 2023
Darryn Hockley		
Chris Meyers	Chairperson	Resigned 20 February 2023
Liza Somers		
Surette Southwood	Executive Pastor – ex officio	

And on a rotating basis a member of the NewHope Leadership Team:

Lance Blythe
Katrina Lambert

Principal activities

We each walk a unique path among different people in dynamic relational networks. But as we follow Jesus wholeheartedly, our **WAY OF LIFE** is profoundly similar. This is why the early Christians were called 'Followers of The Way' (Acts 9:1, Eph 4:20, 5:2). At NewHope we encourage one another towards commitments and postures that characterise this '**Jesus Way of Life**' and foster life-giving relationships in all five circles. Our paths are dynamic and different, but our behaviour as disciples embodies Jesus' Way of Life.

NewHope's 5 Life-Giving Relationship Circles focus our attention on key relationships that serve God's wonderful purposes for our world.

As **individuals** we can have a relationship with Jesus that is personally transforming and empowering. As we allow Jesus to apprentice us and connect us together, we become influencers – like salt and light and leaven – lead by the Spirit to impact and transform **society** itself. We live by faith, labouring towards a new heaven and earth.

The **familial**, **vocational** and **communal** circles help us see the opportunities for mutual care, faith formation, and bold witness in these diverse contexts. We will advance God's mission together by forming '**Communities of Hope**' in our families and with other believers; becoming '**Agents of Hope**' in our workplaces and schools, and through the visible long-term witness of a '**Place of Hope**' (our local commons in Blackburn North) where we have put down roots and built up services as a visible expression of Jesus' body in the world.

The Life-Giving Relationship Circles help our members and supporters to envision countless **Dynamic Pathways** where people connect, hospitality occurs, divine love is shared, mercy is experienced and God's mission is advanced. Thinking in this way we are intentional and obedient to God's invitation. The circles also help us focus and align our collaborative ministry efforts, social enterprises, training initiatives and program dollars so we make the greatest possible difference.

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Councillors' Report

31 December 2022

General information

Principal activities

Pathways are **dynamic**, not linear. We participate in different ways and to different levels of engagement in each of the 5 circles. Clearly, the Individual Circle is the key to all the others.

We have identified the simple **outcomes** we are working towards together, the core **commitments** required of us all and the **postures** that we must take to serve personal and societal transformation.

God's mission is **relationally energised**. This is how our behaviours and beliefs are formed, not so much through programs and processes as through life-giving relationships. It is about 'being with', 'becoming', and 'loving'.

Our activities were centred on the achievement of our vision.

Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

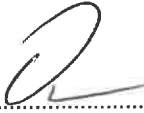
Operating results for the year


The consolidated loss of the Group amounted to \$ (831,599) (2021 profit: \$ 45,625).

Events after the reporting date

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

Signed in accordance with a resolution of the Church Council:

Council Member: 
Darryn Hockley

Council Member: 
Surette Southwood

Dated this 19 day of JUNE 2023

NewHope Baptist Church

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021 Restated
	Note	\$	\$
Revenue			
Revenue	4	2,963,666	2,830,962
Expenses			
NewHope Local expenses		(2,529,104)	(2,326,338)
NewHope Global expenses		(90,278)	(79,993)
Soccer Club expenses		(144,109)	(109,541)
Cafe Fund expenses		(192,287)	(204,465)
Building Fund expenses		(70,000)	(65,000)
Impairment losses on loans		(769,487)	-
Total expenses		<u>(3,795,265)</u>	<u>(2,785,337)</u>
Profit/(loss) for the year		<u>(831,599)</u>	<u>45,625</u>
Other comprehensive income, net of income tax			
Total comprehensive income for the year		<u>(831,599)</u>	<u>45,625</u>

The accompanying notes form part of these financial statements.

NewHope Baptist Church

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Statement of Financial Position As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		310,373	510,147
Trade and other receivables	5	87,380	153,153
Inventories at cost		4,266	3,520
TOTAL CURRENT ASSETS		402,019	666,820
NON-CURRENT ASSETS			
Loans to related parties	6	-	546,136
Property, plant and equipment	7	14,572,684	14,531,653
TOTAL NON-CURRENT ASSETS		14,572,684	15,077,789
TOTAL ASSETS		14,974,703	15,744,609
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		116,625	130,517
Borrowings	8	348,459	305,165
Employee benefits		231,992	232,867
Other financial liabilities		13,315	11,602
Provision for special claims		-	60,000
TOTAL CURRENT LIABILITIES		710,391	740,151
NON-CURRENT LIABILITIES			
Borrowings	8	3,549,291	3,437,390
Employee benefits		17,599	38,047
TOTAL NON-CURRENT LIABILITIES		3,566,890	3,475,437
TOTAL LIABILITIES		4,277,281	4,215,588
NET ASSETS		10,697,422	11,529,021
EQUITY			
Reserves	9	159,725	123,234
Retained earnings		10,537,697	11,405,787
TOTAL EQUITY		10,697,422	11,529,021

The accompanying notes form part of these financial statements.

NewHope Baptist Church

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Statement of Changes in Equity For the Year Ended 31 December 2022

2022

	Vision Contingency Plan Reserve	Studio Reserve	Anniversary Reserve	COVID Safe Contingency Plan Reserve	Property Capital Equipment Reserve	Production Project Reserve	Farsi Friendship Project Reserve	Production Capital Equipment Reserve	Special Claims Reserve	Persian Grant Reserve	Youth AUSLAN Reserve	Retained earnings	Total
Balance at 1 January 2022	20,000	4,747	10,000	28,866	20,000	10,000	-	10,000	-	19,000	621	11,405,787	11,529,021
Profit/(loss) attributable to members of the parent entity	-	-	-	-	-	-	-	-	-	-	-	(831,599)	(831,599)
Transactions with owners in their capacity as owners	(20,000)	-	-	(28,866)	-	-	74,077	-	20,000	(8,720)	-	(36,491)	-
Transfers to/(from) reserves	-	4,747	10,000	-	20,000	10,000	74,077	10,000	20,000	10,280	621	10,537,697	10,697,422
Balance at 31 December 2022	-	4,747	10,000	-	20,000	10,000	74,077	10,000	20,000	10,280	621	10,537,697	10,697,422

2021

	Vision Contingency Plan Reserve	Studio Reserve	Anniversary Reserve	COVID Safe Contingency Plan Reserve	Property Capital Equipment Reserve	Production Project Reserve	Persian Grant Reserve	Youth AUSLAN Reserve	Retained earnings	Total
Balance at 1 January 2021	20,000	60,000	10,000	30,000	20,000	20,000	-	621	11,322,775	11,483,396
Profit attributable to members of the parent entity	-	-	-	-	-	-	-	-	45,625	45,625
Transactions with owners in their capacity as owners	-	(55,253)	-	(1,134)	-	-	19,000	-	37,387	-
Transfers to/(from) reserves	20,000	4,747	10,000	28,866	20,000	20,000	19,000	621	11,405,787	11,529,021
Balance at 31 December 2021	-	4,747	10,000	28,866	20,000	20,000	19,000	621	11,405,787	11,529,021

The accompanying notes form part of these financial statements.

NewHope Baptist Church

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Statement of Cash Flows For the Year Ended 31 December 2022

	Note	2022 \$	2021 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from donors		3,085,292	2,909,149
Payments to suppliers and employees		(2,983,597)	(2,681,511)
Interest received		42,351	23,470
Interest paid		(148,008)	(104,029)
Net cash provided by/(used in) operating activities	12	(3,962)	147,079
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		-	12,500
Purchase of property, plant and equipment		(127,656)	(1,271,193)
Loans to related parties - payments made		(223,351)	(176,970)
Loans from related parties - proceeds		246,937	376,383
Net cash provided by/(used in) investing activities		(104,070)	(1,059,280)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		120,000	1,266,090
Repayment of borrowings		(211,742)	(502,658)
Net cash provided by/(used in) financing activities		(91,742)	763,432
Net increase/(decrease) in cash and cash equivalents held		(199,774)	(148,769)
Cash and cash equivalents at beginning of year		510,147	658,916
Cash and cash equivalents at end of financial year		310,373	510,147

The accompanying notes form part of these financial statements.

NewHope Baptist Church

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Notes to the Financial Statements For the Year Ended 31 December 2022

NewHope Baptist Church is a not-for-profit Church, registered and domiciled in Australia. The financial report covers NewHope Baptist Church and its controlled entities ('the Group'):

- (1) NewHope Baptist Church ABN 76 994 595 338;
- (2) NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430;
- (3) NewHope Baptist Church School Building Fund ABN 15 482 454 134;
- (4) NewHope Baptist Church Religious Education in Government Schools Fund ABN 70 213 291 170;
- (5) Blackburn North Baptist Soccer Club; and
- (6) NewHope Custodian Inc (A0055295Z)

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Church Council the Church is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the church constitution.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Church is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. NewHope Baptist Church is registered with the Australian Charities and Not-for-profits Commission (ACNC). The following funds have deductibility gift recipient status:

NewHope Baptist Church Tax Deductible Fund ABN 13 572 556 430

NewHope Baptist Church School Building Fund ABN 15 482 454 134

NewHope Baptist Church Religious Education in Government Schools fund ABN 70 213 291 170

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from offerings and donations are recognised on receipt.

Interest revenue is recognised when received.

Other revenue is recognised when the right to receive the revenue has been established.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(c) Revenue and other income

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

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured at cost. No depreciation is recognised on buildings.

The Group's properties are held by the Baptist Union of Victoria (BUV) for and on behalf of the Group subject to the provisions of Schedule B of the *Baptist Union Incorporation Act 1930*. The BUV has no rights or management responsibilities for the properties.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment are depreciated on a straight-line basis over the assets useful life to the Group (3-15 years), commencing when the asset is ready for use. Buildings and freehold land are not depreciated.

The Church Council reviews the written down value of assets annually on a class by class basis to ensure that they are not recorded above their recoverable amount. Only assets with a purchase price exceeding \$500 are capitalised. Assets purchased on corporate credit cards are not capitalised.

(f) Loans to related parties

Loans to related parties are measured at cost less any provision for impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within cash and cash equivalents on the statement of financial position.

(h) Employee benefits

Provision is made for the Group'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Church to the Baptist Union of Victoria for long service leave entitlements of pastoral staff and are charged as expenses as incurred. A provision for long service leave entitlements of non pastoral staff is recognised in accordance with AASB 119 employee benefits.

(i) Change in classification in financial statements

The Group has changed classification of income and expenses to better reflect the activities of the organisation. The reclassification has been applied retrospectively, so the relevant comparative amounts have been restated.

3 Critical Accounting Estimates and Judgments

The Church Council make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The councillors assess impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible.

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Notes to the Financial Statements For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Key estimates - employee benefits

As described in the accounting policies, employee benefits are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

4 Revenue

	2022	2021 Restated
	\$	\$
- NewHope Local income	2,548,530	2,397,511
- NewHope Global income	72,513	81,113
- Soccer Club income	148,590	140,584
- Cafe Fund income	126,392	139,854
- Building Fund income	67,641	71,900
	<u>2,963,666</u>	<u>2,830,962</u>

In Cafe fund income, there is \$15,206 (2021: \$8,082) of income that is earned from providing catering services to various ministries in the church. Similarly there is \$15,206 (2021:\$8,082) of expenses that is incurred in NewHope Local expenses. These inter-fund transactions have not been eliminated in the preparation of these financial statements.

5 Trade and Other Receivables

	2022	2021
	\$	\$
Current		
Trade receivables	84,702	64,749
Prepayments	1,928	87,654
Deposits	750	750
	<u>87,380</u>	<u>153,153</u>

6 Loans to related parties

	2022	2021
	\$	\$
Non-current		
Loans to related parties	769,487	546,136
Less provision for impairment	(769,487)	-
	<u>-</u>	<u>546,136</u>

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Notes to the Financial Statements For the Year Ended 31 December 2022

7 Property, plant and equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Land and buildings		
At cost	14,196,652	14,196,652
Total land and buildings	14,196,652	14,196,652
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,012,959	885,082
Accumulated depreciation	(636,927)	(550,081)
Total plant and equipment	376,032	335,001
Total property, plant and equipment	14,572,684	14,531,653

At the balance date, the Bendigo Bank currently held the first registered mortgage over the properties situated in Blackburn North, VIC at:

NewHope Baptist Church properties:

- 3-7 Springfield Road
- 2 Dale Court
- 3 Dale Court
- 5 Dale Court

8 Borrowings

	2022	2021
	\$	\$
Current		
Secured liabilities:		
Bendigo loans	348,459	305,165
Total current borrowings	348,459	305,165
Non-Current		
Unsecured liabilities:		
Loans from related parties	992,487	745,550
	992,487	745,550
Secured liabilities:		
Bendigo loans	2,556,804	2,691,840
Total non-current borrowings	3,549,291	3,437,390
Total borrowings	3,897,750	3,742,555

NewHope Baptist Church

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Notes to the Financial Statements For the Year Ended 31 December 2022

9 Reserves

	2022 \$	2021 \$
Vision Contingency Reserve		
Opening balance	20,000	20,000
Transfers in/(out)	(20,000)	-
	-	20,000
Studio Reserve		
Opening balance	4,747	60,000
Transfers in/(out)	-	(55,253)
	4,747	4,747
Anniversary Reserve		
Opening balance	10,000	10,000
	10,000	10,000
COVID Safe Contingency Plan Reserve		
Opening balance	28,866	30,000
Transfers in/(out)	(28,866)	(1,134)
	-	28,866
Property Capital Equipment Reserve		
Opening balance	20,000	20,000
	20,000	20,000
Production Project Reserve		
Opening balance	10,000	10,000
	10,000	10,000
Production Capital Equipment Reserve		
Opening balance	10,000	10,000
	10,000	10,000
Youth AUSLAN Reserve		
Opening balance	621	621
	621	621
Farsi Friendship Project reserve		
Opening balance	-	-
Transfers in/(out)	74,077	-
	74,077	-
Special Claims Reserve		
Opening balance	-	-
Transfers in/(out)	20,000	-
	20,000	-
Persian Grant Reserve		
Opening balance	19,000	-
Transfers in/(out)	(8,720)	19,000
	10,280	19,000
Total	159,725	123,234

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Notes to the Financial Statements

For the Year Ended 31 December 2022

9 Reserves

(a) Vision Contingency Plan Reserve

The Vision Contingency Plan Reserve relates to funds set aside from 2020 activities and process improvement expenses not achieved due the impact of COVID-19.

(b) Studio Reserve

The Studio Reserve contains funds set aside for a purpose built studio to facilitate online services and live-streaming events.

(c) Anniversary Reserve

The 75th Anniversary Reserve contains funds set aside for the celebration of NewHope Baptist Church's 75th anniversary.

(d) COVID Safe Contingency Plan Reserve

The COVID Safe Contingency Plan Reserve contains funds set aside for anticipated expenditure in alignment with the church's COVID Safe Plan.

(e) Property Capital Equipment Reserve

The Property Capital Equipment Reserve contains funds set aside for the purchase of new equipment.

(f) Production Project Reserve

The Production Project Reserve contains funds set aside for live-streaming projects.

(g) Production Capital Equipment Reserve

The Production Capital Equipment Reserve contains funds set aside for the purchase of equipment relating to the studio.

(h) Youth AUSLAN Reserve

The Youth AUSLAN Reserve relates to a grant received to fund sign language translators for deaf children at Youth activities.

(i) Persian Grant Reserve

The Persian Grant Reserve is a grant received from the Baptist Union of Victoria to support the initiative of a digital/online Farsi speaking community.

(j) Farsi Friendship Project Reserve

The Farsi Friendship Project Reserve contains funds set aside for the Farsi Friendship Project.

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Notes to the Financial Statements For the Year Ended 31 December 2022

9 Reserves

(k) Special Claims Reserve

The Special Claims Reserve contains funds set aside to settle possible claims against the church.

10 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor, rdl.accountants for:		
- auditing the financial statements	13,427	13,013
- preparation of financial statements	2,513	2,438
	<u>15,940</u>	<u>15,451</u>

11 Contingencies

Contingent Liabilities

The Church Council of NewHope Baptist Church has committed to provide financial support to NewHope Medical Ltd to enable the company to continue its operations and to meet its obligations as and when they fall due, until such time that NewHope Medical Ltd is able to fund its own operations.

12 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Net profit attributable to members of the church	(831,599)	45,625
Non-cash flows in profit:		
Depreciation	86,845	72,992
(Gain)/loss on disposal of assets	(220)	(11,098)
Impairment	769,487	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	65,773	28,888
- (increase)/decrease in inventories	(746)	(762)
- increase/(decrease) in trade and other payables	(13,892)	(51,623)
- increase/(decrease) in employee benefits	(21,323)	(8,545)
- increase/(decrease) in other liabilities	(58,287)	71,602
Cashflows from operations	<u>(3,962)</u>	<u>147,079</u>

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Notes to the Financial Statements For the Year Ended 31 December 2022

13 Events Occurring After the Reporting Date

The financial report was authorised for issue on19 JUNE 2023.....by the church council.

In April 2023, NewHope Medical Ltd (the company) entered into an agreement to transfer assets including plant and equipment, goodwill and accreditation relating to the medical practice to a third party for nominal consideration, effective 1 August 2023. NewHope Baptist Church has been supporting NewHope Medical Ltd. financially since the opening in 2018. The medical practice has been the only income generating activity of the company. Until the company is able to generate alternative sources of income, it appears unlikely that the company will be able to repay funds owing to the church.

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

14 Statutory Information

The registered office and principal place of business of the church is:

NewHope Baptist Church
3 Springfield Road
BLACKBURN NORTH VIC 3130

NewHope Baptist Church

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Councillors' Declaration

In the opinion of the Church Council the financial report as set out on pages 4 to 15:

1. Present fairly the financial position of NewHope Baptist Church as at 31 December 2022 and its performance for the year ended on that date in accordance with the accounting policies.
2. At the date of this statement, there are reasonable grounds to believe that NewHope Baptist Church will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Church Council and is signed for and on behalf of the Council by:

Council member
Darryn Hockley

Council member
Surette Southwood

Dated this 19 day of JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE BAPTIST CHURCH

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Baptist Church (the church), which comprises the Church Council's report, the statement of financial position as at 31 December 2022, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the Church Council.

In our opinion, the financial report presents fairly, in all material respects, the financial position of NewHope Baptist Church as at 31 December 2022 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist NewHope Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Church Council's Responsibility for the Financial Report

The Church Council members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The Church Council's responsibility also includes such internal control as the Church Council members 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 directors are responsible for assessing the church's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Church Council members either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Joel Hernandez, CA
rdl.accountants

22 June 2023
Blackburn, Victoria