

Coptic Orthodox Church - Diocese of Sydney and Affiliated Regions

ABN: 61 746 813 182

Aggregated financial report (audited)

For the year ended 30 June 2020

TABLE OF CONTENTS

Financial report	
Aggregated statement of profit or loss and other comprehensive income	1
Aggregated statement of financial position	2
Aggregated statement of changes in members funds	3
Notes to financial statements	4 - 17
Declaration by members of the General Advisory Board	18
Independent auditor's report	19 - 21

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

AGGREGATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Sales revenue	3	3,768,136	4,460,924
Other revenue	4	<u>24,843,285</u>	<u>22,550,553</u>
		<u>28,611,421</u>	<u>27,011,477</u>
Less: expenses			
Depreciation and amortisation expense	5	(684,491)	(576,554)
Employee benefits expense		(4,662,912)	(5,824,427)
Occupancy expense		(909,110)	(1,238,809)
Lease expense		(553,850)	(595,302)
Finance costs	5	(2,003,423)	(2,041,532)
Gifts and donations		(1,490,954)	(1,495,619)
Motor vehicle expenses		(496,028)	(549,264)
Insurance		(793,841)	(801,715)
Contributions		(1,207,698)	(1,581,972)
Other expenses		<u>(8,087,730)</u>	<u>(3,667,688)</u>
		<u>(20,890,037)</u>	<u>(18,372,882)</u>
Profit before income tax expense		7,721,384	8,638,595
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Revaluation of property, plant and equipment, net of tax		-	<u>658,341</u>
		-	<u>658,341</u>
Other comprehensive income for the year		-	<u>658,341</u>
Total comprehensive income		<u>7,721,384</u>	<u>9,296,936</u>

The accompanying notes form part of these financial statements.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

AGGREGATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	19,729,376	14,894,836
Receivables	7	1,831,569	2,654,888
Inventories	8	597,514	592,851
Other assets	10	<u>784,610</u>	<u>88,167</u>
Total current assets		<u>22,943,069</u>	<u>18,230,742</u>
Non-current assets			
Receivables	7	1,627,739	3,644,168
Property, plant and equipment	9	190,216,854	197,583,251
Other assets	10	<u>354,632</u>	<u>158,333</u>
Total non-current assets		<u>192,199,225</u>	<u>201,385,752</u>
Total assets		<u>215,142,294</u>	<u>219,616,494</u>
Current liabilities			
Payables	11	4,320,397	3,421,729
Borrowings	12	<u>6,313,184</u>	<u>8,417,579</u>
Total current liabilities		<u>10,633,581</u>	<u>11,839,308</u>
Non-current liabilities			
Payables	11	1,039,480	2,544,989
Borrowings	12	<u>46,677,817</u>	<u>56,067,095</u>
Total non-current liabilities		<u>47,717,297</u>	<u>58,612,084</u>
Total liabilities		<u>58,350,878</u>	<u>70,451,392</u>
Net assets		<u>156,791,416</u>	<u>149,165,102</u>
Members' funds			
Reserves	13	15,388,204	15,388,204
Accumulated surplus	14	<u>141,403,212</u>	<u>133,776,898</u>
Total members' funds		<u>156,791,416</u>	<u>149,165,102</u>

The accompanying notes form part of these financial statements.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

AGREGATED STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2020

	Reserves \$	Retained earnings \$	Total members' funds \$
Balance as at 1 July 2018	14,729,863	125,138,303	139,868,166
Profit for the year	-	8,638,595	8,638,595
Other comprehensive income for the year	<u>658,341</u>	<u>-</u>	<u>658,341</u>
Total comprehensive income for the year	<u>658,341</u>	<u>8,638,595</u>	<u>9,296,936</u>
Balance as at 30 June 2019	<u>15,388,204</u>	<u>133,776,898</u>	<u>149,165,102</u>
Balance as at 1 July 2019	15,388,204	133,681,828	149,070,032
Profit for the year	<u>-</u>	<u>7,721,384</u>	<u>7,721,384</u>
Total comprehensive income for the year	<u>-</u>	<u>7,721,384</u>	<u>7,721,384</u>
Balance as at 30 June 2020	<u>15,388,204</u>	<u>141,403,212</u>	<u>156,791,416</u>

The accompanying notes form part of these financial statements.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The partners have determined that the diocese is not a reporting entity on the basis that, in the opinion of the partners, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the Diocese to the Church, of which the Diocese forms part.

The financial report covers Coptic Orthodox Church Diocese of Sydney and Affiliated Regions as an aggregated entity. The Coptic Orthodox Church Diocese of Sydney and Affiliated Regions is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Principles of aggregation

The aggregated financial statements are those of the entities set out in Note 2 to the financial statements ("the diocese").

The financial statements of the majority of the aggregated entities are prepared for the same reporting period using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist. No adjustments are made where the financial statements are prepared for different reporting periods (refer Note 2 for details of these entities).

All inter-entity balances and transactions, including any unrealised profits or losses have been eliminated on aggregation.

(c) New and revised accounting standards effective at 30 June 2020

The diocese has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the diocese has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the diocese's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(d).

(d) Revenue from contracts with customers

The diocese derives revenue from a variety of church activities. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the diocese expects to be entitled in exchange for the goods or services.

Revenue from the provision of services

Revenue from the provision of services comprises revenue derived from the delivery of vacation care programs and other church activities and programs, such as ladies activities. These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

Revenue from the sale of goods

Revenue from the sale of good comprises revenue derived from the sale of goods purchased for resale and goods donated for resale. Revenue is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time the goods are purchased by customers from the diocese's retail outlets. Customers are required to pay in full for all goods purchased at the time of purchase.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income arising from the transfer of assets

The diocese derives income from the transfer of assets when the diocese provides no consideration in exchange for the asset received, or the consideration provided by the diocese is significantly less than the fair value of the asset received, principally to enable the diocese to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Donations

Cash donations and goods donated for resale are recognised as income when the diocese obtains control of the asset. Cash is recognised at the fair value of the consideration received. Goods donated for resale at recognised at current replacement cost.

Operating grants

A transfer of an asset, including cash, under arrangements that do not contain enforceable and sufficiently specific performance obligations is referred to in the financial statements as an 'operating grant'. Assets arising from operating grants are recognised at fair value when the diocese obtains control of the asset. Any related amounts, such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the diocese and any related amounts is recognised as income.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other revenue and other income

Interest

Interest revenue is measured in accordance with the effective interest method.

Rental income

Lease revenue from operating leases is recognised on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

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

(g) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the aggregated statement of financial position.

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the diocese becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the diocese commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Classification of financial assets

Financial assets recognised by the diocese are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the diocese irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the diocese's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the diocese for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the diocese are subsequently measured at amortised cost.

(j) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(k) Property, plant and equipment

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

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (Continued)

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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 aggregated statement of financial position are shown inclusive of GST.

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: ENTITIES IN AGGREGATION

The following are the entities aggregated with the Diocese in this aggregated report:

Entities	ABN	Included in this aggregation	
		2020 %	2019 %
The Apostles & St Abanoub Church, Blacktown	53 955 642 303	100	100
St Paul & St Reweis Church, Collaroy	85 573 869 941	100	100
St Mina & St Anthony Church, Gold Coast	90 289 364 462	100	100
St Mary & St Luke Church, Gosford	61 861 984 981	100	100
St Mary, St Bakhomios & St Shenouda Church, Kirrawee	40 828 692 116	100	100
St Mary & St Mina Cathedral, Bexley	72 945 177 814	100	100
St Mary & St Sidhom Bishay Church, Dural	83 669 987 632	100	100
St Mary & St Moses Church, Bundaberg	27 924 508 043	100	100
St Mary & St Merkorious (Abu Sefein) Church, Rhodes	92 477 472 779	100	100
St Mary and St Marina Church, Penrith	72 305 817 068	100	100
St Mary & St George Church, Townsville	60 636 339 815	100	100
St Mary & St Anthony Monastery, Kooralbyn	34 912 016 065	100	100
St Mark's Church, Arncliffe	69 576 023 012	100	100
St Mark & St George Church, North Brisbane	62 153 692 117	100	100
St George & Prince Theodorus Church, Liverpool	26 873 693 121	100	100
St George Church, Kensington	65 665 091 236	100	100
St Demiana & St Athanasius Church, Punchbowl	72 289 976 098	100	100
St Barbara & St Abbanoufer El Saih Church, Campbelltown	73 797 860 219	100	100
St Antonious & St Paul Church, Guildford	17 976 094 371	100	100
St Paul & St Peter Church, Shellharbour	33 249 032 718	100	100
St Maximus & St Domadius Church, Goulburn	68 953 195 662	100	100
St Mary, St Kosman & St Demian Church, Kellyville	54 104 883 943	100	100
St Karas The Hermit Church, Theresa Park	45 355 006 357	100	100
St Mary & St Joseph Church, Brisbane	50 249 696 131	100	100
St Mary & St John The Beloved Church, Wagga Wagga	36 305 090 709	100	100
St Mary & St George Church, Newcastle	83 589 021 495	100	100
St Mary & St Pope Kyrellos VI Church, Taree	45 770 740 591	100	100
Virgin Mary Church Brisbane	98 307 564 468	100	100
St Luke's Church, Sylvania	19 176 832 436	100	100
St John the Baptist & St Elijah the Profit Church, Dubbo	40 349 713 368	100	100
St Pope Kyrillos VI Church, Monterey	84 536 484 101	100	100
Archangel Michael & St Bishoy Church, Mount Druitt	30 673 858 864	100	100
St Abraam & Pope Shenouda III Church, Long Point	62 269 006 147	100	100
St Abraam & Pope Shenouda III Centre, Long Point	19 428 843 006	100	100
St Abraam & St Mikhail Al-Behairy Church, Peakhurst	59 103 240 341	100	100
Almanara Charity Support	61 746 813 182	100	100

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: ENTITIES IN AGGREGATION (CONTINUED)

(Continued)

Entities	ABN	Included in this aggregation	
		2020 %	2019 %
Coptic Orthodox Youth Association	70 998 106 569	100	100
Coptic Orthodox Church Outreach Society	35 131 816 531	100	100
Needy Christian Fund	68 721 348 131	100	100
St Antonious & St Paul Vacation Care Centre	38 315 787 837	100	-
St Mark's Vacation Centre	35 980 870 476	100	-
St Demiana Vacation Centre	66 099 527 246	100	100
Angelos Child Care Centre	65 128 738 287	100	100
Angel Child Care	88 121 982 974	100	100
St Cyril's Coptic Orthodox Theological College	50 716 491 489	100	100
		2020	2019
		\$	\$

NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales income		
Audio visual income	-	910
Book shop income	215,974	242,861
Canteen income	861,756	933,095
Holy bread income	77,035	112,561
Ladies activities	478,056	644,995
Other church activities	540,888	593,672
Sunday school	75,268	116,666
Youth income	76,739	85,578
Membership & college fees	170,340	222,971
Vacation care centre fees	<u>1,271,900</u>	<u>1,507,615</u>
	<u>3,767,956</u>	<u>4,460,924</u>
Fundraising	<u>180</u>	<u>-</u>
	<u><u>3,768,136</u></u>	<u><u>4,460,924</u></u>

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 4: OTHER REVENUE AND OTHER INCOME		
Interest income	34,758	64,759
Donations	5,894,679	4,836,955
Government grants	1,337,075	17,384
Boxes and plates	2,783,958	3,522,463
Sunday School Building Funds	9,089,594	9,405,360
Other DGR funds	994,391	894,218
Diocese contributions	916,704	851,351
Cash flow boosts	190,799	-
JobKeeper income	266,769	-
Other income	410,635	106,941
Vacation centre government assistance & other income	831,082	672,356
Rental income	1,796,215	2,178,766
Profit on sale/revaluation of non current assets	296,626	-
	<u>24,843,285</u>	<u>22,550,553</u>
NOTE 5: OPERATING PROFIT		
Profit before income tax has been determined after:		
Net gain on disposal of non-current assets:		
- Profit on sale of other non-current assets	296,626	-
Finance costs	2,003,423	2,041,532
Depreciation	684,491	576,554
Bad and doubtful debts	-	71
Rental expense on operating leases	553,850	595,302
Employee benefits	4,662,912	5,824,427
Net loss on disposal of non-current assets		
- Loss on sale of property, plant and equipment	2,496,145	56,956
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	23,623	63,151
Cash at bank	17,869,870	13,149,938
Cash on deposit	1,835,883	1,681,747
	<u>19,729,376</u>	<u>14,894,836</u>

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	1,775,450	2,494,587
Other receivables	<u>56,119</u>	<u>160,301</u>
	<u>1,831,569</u>	<u>2,654,888</u>
NON CURRENT		
Other receivables	<u>1,627,739</u>	<u>3,644,168</u>
NOTE 8: INVENTORIES		
CURRENT		
<i>At cost</i>		
Finished goods	<u>597,514</u>	<u>592,851</u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At valuation	155,029,296	169,646,087
Accumulated depreciation	<u>(609,942)</u>	<u>(173,917)</u>
	<u>154,419,354</u>	<u>169,472,170</u>
Plant and equipment		
Plant and equipment at cost	4,450,621	4,145,512
Accumulated depreciation	<u>(1,154,463)</u>	<u>(1,057,538)</u>
	3,296,158	3,087,974
Improvements at cost	27,739,864	20,512,247
Motor vehicles at cost	1,996,391	1,779,088
Accumulated depreciation	<u>(1,175,043)</u>	<u>(1,178,707)</u>
	821,348	600,381
Other fixed assets at cost	1,144,453	1,080,953
Accumulated depreciation	<u>(31,996)</u>	<u>(1,200)</u>
	1,112,457	1,079,753
Furniture, fixtures and fittings at cost	4,402,949	4,210,624
Accumulated depreciation	<u>(2,364,263)</u>	<u>(2,253,430)</u>
	2,038,686	1,957,194

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Altars and icons at cost	1,690,049	1,685,524
Accumulated depreciation	<u>(901,062)</u>	<u>(811,992)</u>
	<u>788,987</u>	<u>873,532</u>
Total plant and equipment	<u>35,797,500</u>	<u>28,111,081</u>
Total property, plant and equipment	<u><u>190,216,854</u></u>	<u><u>197,583,251</u></u>
NOTE 10: OTHER ASSETS		
CURRENT		
Other current assets	771,956	80,500
Total contributions to papal visit	<u>12,654</u>	<u>7,667</u>
	<u><u>784,610</u></u>	<u><u>88,167</u></u>
NON CURRENT		
Other non-current assets	<u><u>354,632</u></u>	<u><u>158,333</u></u>
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Sundry creditors and accruals	1,896,806	1,396,081
Other payables	<u>2,423,591</u>	<u>2,025,648</u>
	<u><u>4,320,397</u></u>	<u><u>3,421,729</u></u>
NON CURRENT		
<i>Unsecured liabilities</i>		
Other payables	<u><u>1,039,480</u></u>	<u><u>2,544,989</u></u>
NOTE 12: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Bank loans	<u><u>6,313,184</u></u>	<u><u>8,417,579</u></u>

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 12: BORROWINGS (CONTINUED)		
NON CURRENT		
<i>Secured liabilities</i>		
Bank loans	<u>46,677,817</u>	<u>56,067,095</u>

(a) Assets pledged as security

Bank Loans are secured by a charge over some of the properties owned by the Coptic Orthodox Church (NSW) Property Trust.

NOTE 13: RESERVES

Asset revaluation reserve	<u>15,388,204</u>	<u>15,388,204</u>
	<u>15,388,204</u>	<u>15,388,204</u>

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

NOTE 14: ACCUMULATED SURPLUS

Accumulated surplus at beginning of year (refer Note 15)	133,681,828	125,138,303
Net profit	<u>7,721,384</u>	<u>8,638,595</u>
	<u>141,403,212</u>	<u>133,776,898</u>

NOTE 15: ADJUSTMENT TO OPENING ACCUMULATED SURPLUS

Accumulated surplus at end of previous year	133,776,898	-
Adjustment to accumulated surplus of entities included/excluded from current year aggregation	<u>(95,070)</u>	<u>-</u>
Accumulated surplus at beginning of year	<u>133,681,828</u>	<u>-</u>

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

Coronavirus (COVID-19)

Since balance date, the COVID-19 pandemic has had a significant impact on local and world economies, and on the financial position and financial performance of the diocese in the future. Public health orders imposed limitations on church services and other church activities, which has impacted revenue from contracts with customers for the diocese.

**COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

Financial performance – business outlook

At the date of signing, the diocese has been able to recommence most church activities. If further restrictions are reinstated at a later date, future financial performance of the diocese will be similarly affected. The diocese continues to actively monitor the situation and its impact.

NOTE 17: DIOCESE DETAILS

The registered office of the diocese is:

Coptic Orthodox Church Diocese of Sydney and Affiliated Regions
Level 3, 91 George Street
Parramatta
Sydney NSW 2150

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182

DECLARATION BY MEMBERS OF THE GENERAL ADVISORY BOARD

The partners have determined that the Diocese is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The partners of the Diocese declare that:

1. The financial statements and notes, as set out on pages 1 - 17 presents fairly the Diocese's financial position as at 30 June 2020 and performance for the year ended on that date of the Diocese in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. In the partners' opinion there are reasonable grounds to believe that the Diocese will be able to pay its debts as and when they become due and payable.

General Advisory Board member



V. Rev. Fr. Matthew Attia
Vicar General
Coptic Orthodox Church - Diocese of Sydney & Affiliated Regions

General Advisory Board member



Dr. Medhat Girgis
Member of the Board of Trustees
Coptic Orthodox Church - Diocese of Sydney & Affiliated Regions

Dated this 7

day of March

2021

**COPTIC ORTHODOX CHURCH – DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182****INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF THE GENERAL ADVISORY BOARD OF
COPTIC ORTHODOX CHURCH – DIOCESE OF SYDNEY AND AFFILIATED REGIONS****Report on the Financial Report****Opinion**

We have audited the special purpose financial report of Coptic Orthodox Church – Diocese of Sydney and Affiliated Regions (‘the Diocese’), which comprises the aggregated statement of financial position as at 30 June 2020, the aggregated statement of profit or loss and other comprehensive income, aggregated statement of changes in members funds for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by members of the general advisory board.

In our opinion, the financial report of the Diocese is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Diocese’s financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Diocese in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members of the general advisory board, would be on the same terms if given to the members as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Coptic Orthodox Church – Diocese of Sydney and Affiliated Regions to meet the requirements of the Church, of which the Diocese forms part. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

We also draw attention to Note 2 to the financial report, which describes the entities included in this financial report, and specifically the entities where financial statements are prepared for different reporting periods and where no adjustments have been made to align the reporting period end dates.

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

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* 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 ability of the Diocese 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 intends to liquidate the Diocese or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Diocese'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 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 the Australian Auditing Standards, we exercise professional judgement 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 Diocese'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 Diocese'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 Diocese to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GENERAL ADVISORY BOARD OF
COPTIC ORTHODOX CHURCH – DIOCESE OF SYDNEY AND AFFILIATED REGIONS
ABN: 61 746 813 182**



- 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.

A handwritten signature in blue ink that reads "Rod Shanley".

ROD SHANLEY
Partner

A handwritten signature in blue ink that reads "Pitcher Partners".

PITCHER PARTNERS
Sydney

9 March 2021