



SEGMENT & AUDITED FINANCIAL
REPORTS FOR THE YEAR ENDED 30
SEPTEMBER 2024

Profit and Loss By Segment (Unaudited)

City on a Hill Group

For the year ended 30 September 2024

	Melbourne	Geelong	Melbourne West	Brisbane	Melbourne East	Surf Coast	Gold Coast	Wollongong	Whittington
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue									
Revenue from continuing operations	1,630,623	883,349	617,284	558,695	1,016,120	281,336	219,298	142,779	69,650
Other income	5	70,675	638	642	806	4,628	-	1,445	1,223
Total Revenue	1,630,628	954,024	617,922	559,337	1,016,926	285,964	219,298	144,224	70,873
Movement Cross Charges									
Central contributions	(360,187)	(189,739)	(137,530)	(123,286)	(218,755)	(61,690)	(49,371)	(33,451)	(15,671)
Church planting distributions	21,973	(25,298)	(18,337)	(15,739)	(29,167)	8,845	52,632	61,580	89,351
Other movement cross charges	91,024	8,300	5,000	2,089	35,978	-	3,611	989	2,456
Foundation distributions	-	-	-	-	-	-	-	-	-
Total Movement Cross Charges	(247,190)	(206,737)	(150,867)	(136,936)	(211,944)	(52,845)	6,872	29,118	76,136
Operating Expenses									
Ministry programs	119,131	104,259	36,678	76,768	102,346	26,183	27,732	16,223	13,718
Depreciation expense	126,398	15,906	17,073	4,216	44,005	4,420	4,921	1,733	10,238
Occupancy	244,425	40,347	22,775	116,387	84,272	25,579	43,434	23,330	11,832
Operations	36,274	34,489	8,777	16,233	16,174	6,672	10,558	10,055	10,607
Other expenses	333	6,929	4,105	-	580	-	-	-	200
Partnerships	33,900	97,370	18,400	1,000	17,700	3,741	-	110	-
Staffing	947,951	377,139	273,891	313,738	514,868	135,914	185,998	133,823	126,336
Total Expenditure	1,508,412	676,439	381,699	528,342	779,945	202,509	272,643	185,274	172,931
Operating surplus (deficit)	(124,974)	70,848	85,356	(105,941)	25,037	30,610	(46,473)	(11,932)	(25,922)
Kingdom funds & Retained Earnings/Net Assets									
Assets									
Kingdom fund adjustments	105,585	15,324	187,370	(3,066)	(4,477)	19,612	(11,138)	(8,748)	59,904
Quarantined kingdom funds ¹	335,263	174,245	111,475	132,887	209,251	47,828	72,110	48,199	39,339
Available kingdom funds ²	79,527	123,005	149,959	33,537	265,878	19,204	-	-	25,551
Total retained earnings/Net Assets	520,375	312,574	448,804	163,358	470,652	86,644	(7,064)	36,131	124,794

¹Quarantined kingdom funds is calculated on 3 months of operating expenditure and is set aside as the minimum working capital required for the financial stability of the church as determined by the finance committee and board.

²Available kingdom funds is calculated as adjusted working capital less quarantined kingdom funds and represents a balance available to the churches for local investment and seed funding initiatives

Profit and Loss By Segment (Unaudited)

City on a Hill Group

For the year ended 30 September 2024

	Ballarat	Church Planting	Central	Foundation	Many Rooms Ltd	Creative	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue							
Revenue from continuing operations	157,342	686,148	214,080	607,726	163,618	50,000	7,298,048
Other income	-	12,706	59,340	5,577	952	286	158,923
Total Revenue	157,342	698,854	273,420	613,303	164,570	50,286	7,456,971
Movement Cross Charges							
Central contributions	(36,980)	(7,129)	1,279,389	-	(45,600)	-	-
Church planting distributions	44,676	(208,316)	17,800	-	-	-	-
Other movement cross charges	-	(104,421)	366,696	(5,455)	(5,000)	(401,267)	-
Foundation distributions	-	-	-	(480,000)	60,000	420,000	-
Total Movement Cross Charges	7,696	(319,866)	1,663,885	(485,455)	9,400	18,733	-
Operating Expenses							
Ministry programs	6,070	5,908	112,681	-	27,886	-	675,583
Depreciation expense	2,358	1,152	11,268	-	4,772	4,574	253,034
Occupancy	4,903	-	75,720	-	19,962	-	712,966
Operations	3,911	15,348	312,195	9,753	8,801	7,602	507,449
Other expenses	-	-	4,647	-	-	-	16,794
Partnerships	-	109,000	-	48,150	-	-	329,371
Staffing	110,691	42,909	1,295,539	-	181,932	-	4,640,729
Total Expenditure	127,933	174,317	1,812,050	57,903	243,353	12,176	7,135,926
Operating surplus (deficit)	37,105	204,671	125,255	69,945	(69,383)	56,843	321,045
Kingdom funds & Retained Earnings/Net Assets							
Assets							
Kingdom fund adjustments	5,835	1,599	(153,100)				
Quarantined kingdom funds ¹	49,402	33,936	358,243		NA		
Available kingdom funds ²	5,094	1,075,103	269,428				
Total retained earnings/Net Assets	60,331	1,110,638	474,571	581,527	266,188	123,128	4,772,651

¹Quarantined kingdom funds is calculated on 3 months of operating expenditure and is set aside as the minimum working capital required for the financial stability of the church as determined by the finance committee and board.

²Available kingdom funds is calculated as adjusted working capital less quarantined kingdom funds and represents a balance available to the churches for local investment and seed funding initiatives



AUDITED FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

CITY ON A HILL MOVEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 73 612 869 600

CONTROLLED ENTITIES

CITY ON A HILL(AUTHORISED ANGLICAN CONGREGATIONS) - ABN 43 292 063 559
CITY ON A HILL FOUNDATION - ABN 46 779 535 586
MANY ROOMS LTD - ABN 51 850 896 155
CITY ON A HILL CREATIVE - ABN 39 167 131 976

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Directors present their report on City on a Hill Movement Ltd and controlled entities for the financial year ended 30 September 2024.

General Information

City on a Hill Movement Ltd is a Company limited by guarantee and is a registered charity under the Australian Charities and Not-for-Profits Commission. The Company has been assessed as a reporting entity for the 2024 financial year.

Also included in the City on a Hill Group are:

- City on a Hill Authorised Anglican Congregations – the City on a Hill churches operating within the Anglican Diocese of Melbourne and licensed as Authorised Anglican Congregations.
- City on a Hill Foundation – Public Ancillary Fund of City on a Hill.
- City on a Hill Creative – charitable trust registered on the Register of Cultural Organisations.
- Many Rooms Ltd – Public Benevolent Institution and Company Limited by Guarantee.

Principal activities

The principal activity of City on a Hill is to advance the mission of City on a Hill to *know Jesus and make Jesus known*, towards our vision to *reach ten cities with the beauty, truth and relevance of Jesus by planting 50 churches*.

Objectives

The missional objectives of City on a Hill are to advance our mission and vision by: (1) Growing deep disciples; (2) Planting new churches; (3) Reaching the lost; (4) Gathering in worship; (5) Equipping the next generation; and (6) Shining the light of justice, hope and love in our world.

These objectives are supported through our mission catalysts of being: (1) Dependent in prayer; (2) Pursuing unity; (3) Prioritising healthy leadership, and (4) Delivering effective operations.

Review and result of operations

- City on a Hill is now a movement of ten local churches, across six different cities. Across the year, Sunday services saw an average of 2,729 people per week, an 18% increase compared to the prior year.
- We praise God for 142 people making commitments of faith Jesus, and for the 22% of church growth from people with un-churched or de-churched backgrounds.
- City on a Hill Ballarat as established as the tenth City on a Hill church. The church plant exceeded projected attendance and giving and is in track towards financial sustainability.
- City on a Hill Surf Coast (planted in 2019) achieved financial sustainability this year and is no longer dependent upon financial support from the Church Planting Fund. We now formally recognise the Surf Coast church as an 'established' City on a Hill church.
- The City on a Hill Authorised Anglican Congregations were formally given custodianship of a number of properties owned by the Melbourne Anglican Trust Corporation and are now used for ongoing ministry at Melbourne West (Footscray), Whittington, and Surf Coast (Mt Duneed).

DIRECTORS' REPORT *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

- In the 2024 financial year, total City on a Hill revenue increased by 4% compared to the prior year. This was also roughly equal to the operating surplus for the year, which will be drawn down in FY2025 to fuel future mission growth.
- The City on a Hill Foundation raised a total of \$607k for distribution to Many Rooms, City on a Hill Creative, and other ministry partners.
- Many Rooms Ltd. continued in the provision of benevolent relief and support to the communities in which we serve. The Living Room (Aged Care Community Visitors Scheme) facilitated 706 visits to isolated elderly. Over 8,000 meals were provided to people experiencing homelessness and disadvantage in Melbourne, and over 5,000 food items were distributed through the Whittington Pantry.

Office-holders

The names of the directors of City on a Hill Movement Ltd in office at any time during the year are:

Nick Coombs	Director
Ryan Hansen	Director (to 11 December 2023)
Richard Jackson	Director & Chairman
Matthew Leung	Director
Guy Mason	Director & Senior Pastor
Luke Nelson	Director
Lyn Ryman	Director
Rachel Saravanamuthu	Director

The names of the wardens of City on a Hill Authorised Anglican Congregations in the Anglican Diocese of Melbourne in office at any time during the year are:

Ryan Hansen	Warden (to 11 December 2023)
Richard Jackson	Warden
Matthew Leung	Warden (from 11 December 2023)
Rachel Saravanamuthu	Warden

Members' guarantee

The Company is incorporated under the *Australian Charities and Not-For-Profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting the outstandings and obligations of the Company. At 30 September 2024 the number of members was 18.

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Auditor's independence declaration

The auditor's independence declaration in accordance with *Australian Charities and Not-For-Profits Commission Act 2012* for the year ended 30 September 2024 has been received and can be found on Page 6 of the financial report.

Signed in accordance with a resolution of the Movement Council:



Richard Jackson
Director and Chairman of the Movement Council



Matthew Leung
Director

25 November 2024

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS AND MEMBERS OF CITY ON A HILL MOVEMENT LTD AND CONTROLLED ENTITIES (THE GROUP)

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2024, there have been:

- (i) no contravention of the auditor's independence requirements as set out in Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 9 December 2024

CITY ON A HILL MOVEMENT LIMITED AND CONTROLLED ENTITIES

STATEMENT OF PROFIT & LOSS AND OTHER
COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 \$	2023 \$
Revenue from continuing operations	2	7,298,048	7,032,991
Other income		158,923	134,450
Total revenue and other income		7,456,971	7,167,441
Ministry Programs		675,583	569,871
Depreciation expense		253,034	233,051
Occupancy		712,966	693,219
Operations		507,449	537,178
Other expenses		16,794	7,641
Partnerships		329,371	281,658
Staffing		4,236,477	3,888,957
Superannuation		404,252	378,358
Total Expenditure		7,135,926	6,589,933
Operating surplus		321,045	577,508
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		321,045	577,508

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	Note	2024 \$	2023 \$
Assets			
Current Assets			
Cash and cash equivalents	3	3,134,224	3,049,091
Trade and other receivables	4	118,486	62,672
GST receivable	5	57,083	40,399
Prepayments	6	92,140	61,367
Financial assets	7	1,464,232	1,452,500
Other current assets	8	11,125	-
Total Current Assets		4,877,290	4,666,029
Non-current Assets			
Property, plant and equipment	9	688,625	536,654
Right of use assets	10	348,567	452,151
Other non-current assets	8	66,672	66,672
Total Non-current Assets		1,103,864	1,055,477
Total Assets		5,981,154	5,721,506
Liabilities			
Current Liabilities			
Trade and other payables	11	63,535	47,152
Employee benefits	12	605,862	548,889
PAYG withholding payable	13	18,362	20,337
Lease liability	14	110,860	99,729
Unearned revenue	15	89,507	101,824
Total Current Liabilities		888,126	817,931
Non-Current Liabilities			
Employee benefits	12	10,923	31,655
Lease liability	14	309,454	420,314
Total Non-Current Liabilities		320,377	451,969
Total Liabilities		1,208,503	1,269,900
Net Assets		4,772,651	4,451,606
Equity			
Current year earnings		321,045	577,508
Retained earnings		4,451,606	3,874,098
Total Equity		4,772,651	4,451,606

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Retained Earnings \$	Total Equity \$
Balance at 1 October 2022	3,874,098	3,874,098
Surplus for the year	577,508	577,508
Balance at 30 September 2023	<u>4,451,606</u>	<u>4,451,606</u>
	Retained Earnings \$	Total Equity \$
Balance at 1 October 2023	4,451,606	4,451,606
Surplus for the year	321,045	321,045
Balance at 30 September 2024	<u>4,772,651</u>	<u>4,772,651</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities:			
Receipts from donations, events and other income		7,357,826	7,241,137
Payments to suppliers and employees		(6,886,468)	(6,316,495)
Interest received		53,412	8,636
Net cash generated from operating activities	19	524,770	933,278
Cash flows from investing activities:			
Payment for property, plant and equipment		(301,754)	(167,995)
Proceeds from financial assets		-	28,172
Payment for financial assets		(11,733)	(1,082,500)
Net cash used in investing activities		(313,487)	(1,222,323)
Cash flows from financing activities:			
Repayment of leases		(126,150)	(124,229)
Net cash generated/(used) in financing activities		(126,150)	(124,229)
Net increase (decrease) in cash held		85,133	(413,274)
Cash on hand at beginning of the financial year		3,049,091	3,462,365
Cash on hand at the end of the financial year	3	3,134,224	3,049,091

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

These financial statements cover City on a Hill Movement Ltd and Controlled Entities (the Group) being, City on a Hill, Many Rooms Ltd, City on a Hill Creative and City on a Hill Foundation domiciled in Australia.

The financial statements were authorised for issue on 25 November 2024 by the directors of the Group.

1 Summary of Material Accounting Policies

Basis of Preparation

City on a Hill Movement Limited and Controlled Entities applies Australian Accounting Standards – Simplified Disclosure Requirements as set out in AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a Revenue

Service or Event Income

Funds received in advance for services or events are recognised as deferred revenue until such time where the performance obligation has been provided or completed.

Interest income

Interest income is recognised using the effective interest method.

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

Revenue from the sale of goods or services are recognised on the delivery of the goods or service to the customer. Revenue from royalties is recognised as it accrues.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 **Summary of Material Accounting Policies** *Continued*

b **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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Audio & video equipment	20%
Buildings & leasehold improvements	10-14%
Furniture & fittings	14%
Computer equipment	33%
Other equipment	10%
Motor Vehicles	8.33%

c **Leases**

The Group as a lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Summary of Material Accounting Policies *Continued*

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

d Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 **Summary of Material Accounting Policies *Continued***

e **Employee Provisions**

Short-term employee provisions

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, fringe benefits, and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Group's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

f **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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is stated independently on the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 **Summary of Material Accounting Policies** *Continued*

g **Income Tax**

No provision for income tax has been raised as the Group is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

h **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i **Comparative Figures**

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

When the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

j **Critical Accounting Estimates and Judgements**

Those charged with governance 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 Group assesses 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 - Provisions

As described in note 1(h), provisions 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 and will vary as further information is obtained.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Summary of Material Accounting Policies *Continued*

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. The impairment provision is based on the best information at the reporting date.

Key judgements - Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Group expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements

Key judgements – Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Key judgements - Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the Group.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2	Revenue		
		2024	2023
		\$	\$
	Giving	6,374,169	5,866,291
	Grants - government	110,036	88,779
	Grants - other	560,042	912,625
	Event entry	253,745	165,166
	Fundraising	57	130
		<u>7,298,049</u>	<u>7,032,991</u>
	<p>‘Grants – government’ include grant payments received from the Australian Government Department of Health to Many Rooms, funding its participation in the Aged Care Volunteer Visitors Scheme (previously the Community Visitors Scheme).</p>		
	<p>‘Grants – other’ include non-government grants received towards discipleship programs, digital ministry and church planting, including contributions towards active church planting on the Surf Coast, Gold Coast, Wollongong, Whittington and Ballarat and training future planters.</p>		
3	Cash and cash equivalents		
	Cash at bank	3,134,224	3,047,394
	Unbanked cash	-	1,697
		<u>3,134,224</u>	<u>3,049,091</u>
4	Trade and other receivables		
	Trade receivables	17,067	5,114
	Interest receivable	40,967	30,088
	Other receivables	60,452	27,470
		<u>118,486</u>	<u>62,672</u>
5	GST receivable		
	GST receivable	<u>57,083</u>	<u>40,399</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

6	Prepayments		
		2024	2023
		\$	\$
	Prepaid venue expense	40,219	21,210
	Prepaid office rent expense	12,437	10,178
	Prepaid software expense	22,403	16,693
	Prepaid insurance expense	15,526	13,286
	Prepaid professional development	1,555	-
		<u>92,140</u>	<u>61,367</u>
7	Financial assets		
	Term deposits	<u>1,464,232</u>	<u>1,452,500</u>
		<u>1,464,232</u>	<u>1,452,500</u>
8	Other assets		
	Current		
	Office bonds and security deposits	<u>11,125</u>	-
	Total other current assets	<u>11,125</u>	-
	Non-current		
	Office bonds and security deposits	<u>66,672</u>	<u>66,672</u>
	Total other non-current assets	<u>66,672</u>	<u>66,672</u>
	Total other assets	<u>77,797</u>	<u>66,672</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Property, plant and equipment

a) Carrying amounts at balance date

	2024	2023
	\$	\$
Audio & video equipment at cost	341,625	328,974
Less accumulated depreciation	(235,225)	(188,252)
	106,400	140,722
Building & leasehold improvements at cost	357,826	195,566
Less accumulated depreciation	(91,548)	(66,670)
	266,278	128,896
Furniture & fittings at cost	327,012	231,903
Less accumulated depreciation	(134,901)	(101,126)
	192,111	130,777
Computer equipment at cost	196,810	175,686
Less accumulated depreciation	(157,095)	(122,818)
	39,715	52,868
Other equipment at cost	91,557	81,545
Less accumulated depreciation	(41,115)	(35,161)
	50,442	46,384
Motor Vehicles at cost	39,934	39,934
Less accumulated depreciation	(6,255)	(2,927)
	33,679	37,007
	688,625	536,654

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Property, plant and equipment *continued*

b) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Audio & Video Equipment \$	Building & Leasehold Improvements \$	Furniture & Fittings \$	Computer Equipment \$	Other Equipment \$	Motor Vehicles \$	Total \$
2024							
Balance at the beginning of the year	140,722	128,896	130,777	52,868	46,384	37,007	536,654
Additions at cost	13,248	150,991	95,109	21,127	10,010	-	290,485
Work in Progress	-	11,269	-	-	-	-	11,269
Disposals	(333)	-	-	-	-	-	(333)
Depreciation expense	(47,237)	(24,878)	(33,775)	(34,280)	(5,952)	(3,328)	(149,450)
Carrying amount at the end of the year	<u>106,400</u>	<u>266,278</u>	<u>192,111</u>	<u>39,715</u>	<u>50,442</u>	<u>33,679</u>	<u>688,625</u>

10 Right of use assets

	2024 \$	2023 \$
Non-current		
Right of use assets	677,236	677,236
Less accumulated depreciation	(328,669)	(225,085)
Total non-current right of use asset	<u>348,567</u>	<u>452,151</u>

AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	103,584	103,584
Interest expense on lease liability	26,422	31,728
Short term leases expenses	513,303	527,257

11 Trade and other payables

Trade payables	48,808	27,375
Credit cards	295	822
Accrued expenses	14,332	18,955
Other payables	100	-
	<u>63,535</u>	<u>47,152</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

12	Employee benefits		
		2024	2023
		\$	\$
	Current		
	Annual leave entitlement	354,945	333,003
	Long service leave entitlement	247,231	201,755
	Fringe benefits	3,686	14,131
	Total current employee benefits	<u>605,862</u>	<u>548,889</u>
	Non-current		
	Long service leave entitlement	10,923	31,655
	Total non-current employee benefits	<u>10,923</u>	<u>31,655</u>
	Total employee benefits	<u><u>616,785</u></u>	<u><u>580,544</u></u>
13	PAYG withholding payable		
	PAYG withholding payable	18,362	20,337
		<u>18,362</u>	<u>20,337</u>
14	Lease liability		
	Leases maturity analysis		
	The following table sets out the maturity analysis of lease liabilities.		
	Minimum Repayments		
	Not later than one year	131,437	126,150
	Later than one year and not later than five years	334,989	430,556
	Later than five years	-	35,871
	Total minimum payments	<u>466,426</u>	<u>592,577</u>
	Less finance charges	<u>(46,112)</u>	<u>(72,534)</u>
	Present value of minimum payments	<u><u>420,314</u></u>	<u><u>520,043</u></u>
15	Unearned revenue		
	Grant revenue received in advance	27,150	26,695
	Event fees received in advance	62,357	75,129
		<u>89,507</u>	<u>101,824</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Events after the end of the Reporting Period

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

17 Key management personnel, and other related parties

Key Management Personnel Remuneration

The total remuneration paid to the key management personnel of the Group is \$671,384 (2023: \$631,926).

The key management positions included in this value comprise the Senior Pastor, Executive Director - Ministry & Operations, Lead Pastors with active positions on the Movement Council and Finance Director. During the 2024 financial year, the total number of key management personnel remained unchanged.

Lay members serving on the Movement Council and Committees were not remunerated.

Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

As members of City on a Hill, the Directors and Key Management Personnel contribute tithes and offerings to the Group. No Directors and Key Management Personnel, their family members and their associates had any business transactions with the Group.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

18	Financial risk management			
		Note	2024	2023
			\$	\$
	Financial assets			
	Financial assets at amortised cost:			
	Cash and cash equivalents	3	3,134,224	3,049,091
	Trade and other receivables	4	118,486	62,672
	Term deposits	7	1,464,232	1,452,500
	Total financial assets		<u>4,716,942</u>	<u>4,564,263</u>
	Financial liabilities			
	Financial liabilities at amortised cost:			
	Trade and other payables	11	63,535	47,152
	Lease liabilities	14	420,314	520,043
	Total financial liabilities		<u>483,849</u>	<u>567,195</u>
19	Cashflow information			
	Reconciliation of result for the year to cashflows from operating activities			
	Surplus for the year		321,045	577,508
	Non-cashflows in profit:			
	Depreciation of property, plant & equipment		253,034	233,051
	Interest on lease liabilities		26,422	31,728
	Loss on sale of property, plant & equipment		333	2,454
	Changes in assets and liabilities:			
	Net change in trade and other receivables		(55,814)	(15,996)
	Net change in GST receivable		(16,684)	(2,780)
	Net change in prepayments		(30,773)	(12,239)
	Net change in other current assets		(11,125)	1,266
	Net change in trade and other payables		16,383	(39,098)
	Net change in PAYG withholding payable		(1,975)	3,621
	Net change in employee benefits		36,241	71,627
	Net change in unearned revenue		(12,317)	82,136
	Cash generated by operating activities		<u>524,770</u>	<u>933,278</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

20 Contingencies

The group did not have any contingent liabilities and contracted commitments as at 30 September 2024

21 Interests in subsidiaries**Composition of the Group**

	Percentage owned (%) 2024	Percentage owned (%) 2023
Subsidiaries		
City on a Hill (Authorised Anglican Congregations)	100	100
Many Rooms Ltd	100	100
City on a Hill Foundation	100	100
City on a Hill Creative	100	100

Significant restrictions relating to the subsidiaries

The Group includes subsidiaries which are controlled by the parent entity by means other than ownership in equity interests. As a result, these subsidiaries may have restrictions on their ability to transfer assets to other entities within the Group. This is common with not-for-profit entities, which typically required to have specific clauses in the governing documents specifying their charitable purposes upon which the entity operates, and rules prohibiting the distribution of assets to members from surpluses or on winding up.

Subsidiaries are subject to the following restrictions:

City on a Hill (Authorised Anglican Congregations)

City on a Hill is an unincorporated entity which is registered as a charity with the Australian Charities and Not-for-profits Commission with the subtype "advancing religion". City on a Hill is recognised as an Authorised Anglican Congregation for the purposes of Section 8B of the Parish Governance Act 2013 (Synod, Anglican Diocese of Melbourne). City on a Hill is governed in accordance with the Parish Governance Act 2013 and other legislation applicable in the Anglican Diocese of Melbourne. City on a Hill is required by Section 35 of the Parish Governance Act 2013 to apply its funds for supplying all things necessary for public worship, remuneration of church workers, insurance, property maintenance and the payment of an annual contribution to the Diocese towards the cost of Diocesan services. The net assets of City on a Hill attributable to the Group was \$1,143,545 as at 30 September 2024 (2023: \$1,194,613). The total revenue and other income of City on a Hill for the 2024 financial year was \$4,582,182 (2023: \$4,184,459).

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Many Rooms Ltd

Many Rooms Ltd is a registered charity and endorsed Public Benevolent Institution with Deductible Gift Recipient (DGR) status. The income and property must be solely applied towards its principal purpose; that is; to provide benevolent relief to the homeless, the marginalised, the poor, the lost, the sick, and forgotten members of our society, including, but not limited to, the provision of practical assistance or services such as food, shelter, education, rehabilitation, counselling, skills training, fellowship, friendship and care, and to do such other things as are incidental or conducive to the attainment of this object. The net assets of Many Rooms Ltd attributable to the Group was \$266,738 as at 30 September 2024 (2023: \$335,829). The total revenue and other income of Many Rooms for the 2024 financial year was \$164,570 (2023: \$163,731).

City on a Hill Foundation

City on a Hill Foundation is a Public Ancillary Fund with Deductible Gift Recipient (DGR) status. The income and property must be solely applied towards its principal purpose; that is, providing money, property or benefits to or for Eligible Entities or the establishment of Eligible Entities as the Trustee decides in accordance with the Public Ancillary Fund Guidelines. The net assets of City on a Hill Foundation attributable to the Group was \$587,527 as at 30 September 2024 (2023: \$516,861). The total revenue and other income of City on a Hill Foundation for the 2024 financial year was \$613,303 (2023: \$570,590).

City on a Hill Creative

City on a Hill Creative is a registered charity and has been entered on the Register of Cultural Organisations (ROCO). City on a Hill Creative has been endorsed with Deductible Gift Recipient (DGR) status. Donations to its fund must be solely applied to the production, promotion and provision of high-quality Christian music and the arts, as well as the encouragement, support and training of Christian musicians and artists. The net assets of City on a Hill Creative attributable to the Group was \$124,328 as at 30 September 2024 (2023: \$66,944). The total revenue and other income of City on a Hill Creative for the 2024 financial year was \$50,286 (2023: \$25,581).

22 Statutory information

The registered office of the Group is:
10 Ievers Terrace, CARLTON VIC 3053

The principal place of business is:
10 Ievers Terrace, CARLTON VIC 3053

23 Auditor's remuneration

Auditor remuneration for the year ended 30 September 2024 covered the annual audit of City on a Hill Movement Limited and controlled entities. The audit fee for these entities totalled \$19,000 and was incurred and paid for by City on a Hill Movement Limited on behalf of the Group.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 SEPTEMBER 2024

In the opinion of the Directors of the Company, City on a Hill Movement Limited and controlled entities are reporting entities, and that general purpose financial statements should be prepared in accordance with the material accounting policies as outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statement and notes, as set out herein, are prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*; and
 - a) Comply with the Australian Accounting Standards – Simplified Disclosures and other mandatory professional reporting requirements; and
 - b) Present a true and fair view of the Company's financial position as at 30 September 2024 and its performance for the year ended on that date is recorded in accordance with the accounting policies described in Note 1 to the financial statements and *Division 60 of the Australian Charities and Not-for-Profits Commission Regulations 2022*; and
 - c) Where applicable, all amounts and disclosures relating to City on a Hill Foundation satisfy the *Taxation Administration (Public Ancillary Fund) Guidelines 2022*.
2. In the directors' opinion, there are reasonable grounds to believe that the Company and its controlled entities are able to pay its debts, as and when they fall due.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-Profits Commission Regulations 2022*.



Richard Jackson
Director and Chairman of the Movement Council



Matthew Leung
Director

25 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF CITY ON A HILL MOVEMENT LTD AND CONTROLLED ENTITIES (THE GROUP)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City on a Hill Movement Ltd and Controlled Entities (the Group) being City on a Hill, Many Rooms Ltd, City on a Hill Creative and City on a Hill Foundation. The general purpose - simplified disclosure financial report of the Group, which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

Part A: Australian Charities and Not-for-profits Commission Act 2012

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

- (i) giving a true and fair view of the Group's financial position as at 30 September 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act Regulations 2022*.

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 Group 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 (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.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the consolidated financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Taxation Administration (Public Ancillary Fund) Guidelines 2022* (for the Fund only) and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 directors intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF CITY ON A HILL MOVEMENT LTD AND CONTROLLED ENTITIES (THE GROUP)

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 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 the financial report.

As part of an audit in accordance with 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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.

Part B: Taxation Administration (Public Ancillary Fund) Guidelines 2022

In our opinion, the financial report that includes City on a Hill Foundation (the Fund) is in accordance with the requirements of the *Taxation Administration (Public Ancillary Fund) Guidelines 2022* for the year ended 30 September 2024.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF CITY ON A HILL
MOVEMENT LTD AND CONTROLLED ENTITIES (THE GROUP)**

Auditor's Responsibilities for the Compliance Audit of the Fund

Our responsibility is to express an opinion on compliance with the Taxation Administration (Public Ancillary Fund) Guidelines 2022, in all material respects. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide reasonable assurance that the Fund has complied with the Taxation Administration (Public Ancillary Fund) Guidelines 2022. These procedures have been undertaken to provide an unmodified opinion that the Fund has complied in all material respects, with the Taxation Administration (Public Ancillary Fund) Guidelines 2022 for the year ended 30 September 2024.

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.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 9 December 2024