



# FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors present their report on City on a Hill Movement Ltd and controlled entities for the financial year ended 30 September 2022.

#### 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-profit Commission. The Company has been assessed as a reporting entity for the 2022 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 Movement Ltd 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*.

#### Short term objectives

The Company's short-term objectives are to:

1. Be the peak governance body for City on a Hill Movement affiliated churches and ministries, assisting with their establishment and providing them with governance, leadership, church or ministry planting and other support;
2. Act as trustee, performing and discharging the duties and functions incidental thereto where this is incidental or conducive to the attainment of these objects; and
3. Undertake any other activities that are incidental or ancillary to the above purposes.

#### Long term objectives

The Company's long-term objectives are to:

1. As the peak governance body; ensure the protection and health of all City on a Hill churches to be growing vibrant communities upholding gospel centrality, fundamental biblical principles and genuine love for the cities in which our churches are established.
2. Facilitate the planting and continued operations of City on a Hill churches in 10 cities;
3. Undertake any other activities that are incidental or ancillary to the above purposes.

## DIRECTORS' REPORT *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### **Strategic ministry priorities**

The strategic priorities of the movement are to:

1. Raise gospel leaders,
2. Plant new churches, and
3. Invest in unity, health and growth of our existing churches.

The strategic priorities of our local churches are to:

1. Pioneer mission & mercy,
2. Grow communities of life, love and maturity, and
3. Build gospel gatherings,
4. Equip the next generation.

#### **Review and result of operations**

- In the 2022 financial year by God's grace, City on a Hill had general giving growth across the movement of 4.2% (Excludes special campaigns). The combined vision for reaching the lost, planting churches and caring for the needy has resulted in an improvement in giving from the slowing of growth experienced in 2021 (3.2%).
- City on a Hill during the year continued to receive and invest grant support for the planting of City on a Hill Surf Coast, Gold Coast and Wollongong. This support meant the continued advancement of ministry and church planting as these churches approach financial sustainability.

External grants also supported investment in leaders to prepare to launch City on a Hill's next two church plants, City on a Hill Whittington and City on a Hill Ballarat.

- For the first time in two years, City on a Hill finished the 2022 financial year with services resumed at all locations and service times that existed before the COVID-19 pandemic. This has resulted in higher venue costs compared to comparative years and reflects a return to full scale ministry.
- Significant investment was made into property, plant and equipment in the 2022 financial year, totalling \$344K (2021: \$166K), which included the fitting out and leasehold improvements of the new Melbourne and Melbourne East offices, extensive roof work completed on the Whittington site and audio-visual upgrades across the movement. This investment has provided additional ministry spaces for congregations to meet and improve service elements at various City on a Hill churches.
- Planned cash outflow for the year fell short of targets after two significant years of retained earnings and growth in the 2020 and 2021 financial years. Though there was a net outflow of \$105K, there had been plans to invest in further staffing hires that were not filled during the year. Some planned staffing roles have since been filled and for others the recruitment process is ongoing. This, along with the receipt of significant grant monies that will be used to fund discipleship and planting initiatives in future years, resulted in a drawdown of cash balances at a slower rate than initially projected for the year.

## DIRECTORS' REPORT *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

- City on a Hill Foundation provided substantial support to eligible entities both within and external to the group during the year. A total of \$261,000 was provided to Many Rooms and City on a Hill Creative contributing towards City on a Hill's public benevolent works and creative ministries. An additional \$138,400 was provided to external initiatives including support for humanitarian aid in Ukraine, local training partnerships, and distributions to various local charities in partnership with each of our churches as part of the 'supporting our communities' initiative.
- Many Rooms Ltd. exists to shine the light of love, justice and hope in our world and continued to provide benevolent relief and support to vulnerable and disadvantaged members of our communities. Over 8,000 meals were prepared and served to homeless and marginalised in Melbourne, and volunteers in the "Living Room" program made 1,000 visits to socially isolated elderly people.

#### Office-holders

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

Simon Angus	Director
Nick Coombs	Director
Ryan Hansen	Director
Guy Mason	Director & Senior Pastor
Luke Nelson	Director
Fiona Pearse	Director (to 25 July 2022)
Shirley Reeder	Director (to 25 July 2022)
Andrew Thorburn	Director & Chairman

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
Richard Jackson	Warden
Andrew Thorburn	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 2022 the number of members was 14.

## DIRECTORS' REPORT *CONTINUED*

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FOR THE YEAR ENDED 30 SEPTEMBER 2022

### **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 2022 has been received and can be found on Page 7 of the financial report.

Signed in accordance with a resolution of the board of Directors:



Andrew Thorburn  
Director and Chairman of the Board



Ryan Hansen  
Director and Chairman of the Finance Committee

Dated on **28 November 2022**

**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 2022, 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: 12 December 2022

# STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 \$	2021 \$
Revenue from continuing operations	2	6,011,874	5,326,813
Other income		136,083	84,058
<b>Total revenue and other income</b>		<b>6,147,957</b>	<b>5,410,871</b>
Ministry Programs		572,239	339,267
Depreciation expense		202,831	111,152
Occupancy		539,278	284,023
Operations		418,610	215,272
Other expenses		19,898	4,648
Partnerships		392,341	269,473
Staffing		3,559,949	2,803,873
Superannuation		333,404	263,155
<b>Total Expenditure</b>		<b>6,038,550</b>	<b>4,290,863</b>
<b>Operating surplus (deficit)</b>		<b>109,407</b>	<b>1,120,008</b>
Other Comprehensive Income for the Year		-	-
<b>Total Comprehensive Income for the Year</b>		<b>109,407</b>	<b>1,120,008</b>



## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	3,462,365	3,567,413
Trade and other receivables	4	46,676	17,672
GST receivable	5	37,618	29,701
Prepayments	6	49,128	65,424
Financial assets	7	398,172	414,672
Other current assets	8	1,266	-
<b>Total Current Assets</b>		<b>3,995,225</b>	<b>4,094,882</b>
<b>Non-current Assets</b>			
Property, plant and equipment	9	500,581	275,081
Right of use assets	10	555,735	659,319
Other non-current assets	8	66,672	69,418
<b>Total Non-current Assets</b>		<b>1,122,988</b>	<b>1,003,818</b>
<b>Total Assets</b>		<b>5,118,213</b>	<b>5,098,700</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	86,250	142,806
Employee benefits	12	479,009	394,839
PAYG withholding payable	13	16,716	12,215
Lease liability	14	92,502	67,956
Unearned revenue	15	19,688	72,654
<b>Total Current Liabilities</b>		<b>694,165</b>	<b>690,470</b>
<b>Non-Current Liabilities</b>			
Employee benefits	12	29,908	30,995
Lease liability	14	520,042	612,544
<b>Total Non-Current Liabilities</b>		<b>549,950</b>	<b>643,539</b>
<b>Total Liabilities</b>		<b>1,244,115</b>	<b>1,334,009</b>
<b>Net Assets</b>		<b>3,874,098</b>	<b>3,764,691</b>
<b>Equity</b>			
Current year earnings		109,407	1,120,008
Retained earnings		3,764,691	2,644,683
<b>Total Equity</b>		<b>3,874,098</b>	<b>3,764,691</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	Retained Earnings \$	Total Equity \$
Balance at 1 October 2020		2,644,683	2,644,683
Surplus for the year		1,120,008	1,120,008
Balance at 30 September 2021		3,764,691	3,764,691
		Retained Earnings \$	Total Equity \$
Balance at 1 October 2021		3,764,691	3,764,691
Surplus for the year		109,407	109,407
Balance at 30 September 2022		3,874,098	3,874,098

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities:</b>			
Receipts from donations, events and other income		6,095,250	5,377,472
Payments to suppliers and employees		(5,768,917)	(3,995,521)
Interest received		1,040	4,166
<b>Net cash generated from operating activities</b>	<b>19</b>	<b>327,373</b>	<b>1,386,117</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of property, plant and equipment		2,977	-
Payment for property, plant and equipment		(347,473)	(166,095)
Proceeds from financial assets		16,500	(1,343)
<b>Net cash used in investing activities</b>		<b>(327,996)</b>	<b>(167,438)</b>
<b>Cash flows from financing activities:</b>			
Proceeds of borrowings		-	10,000
Repayment of leases		(104,425)	(46,970)
Repayment of borrowings		-	(34,113)
<b>Net cash used in financing activities</b>		<b>(104,425)</b>	<b>(71,083)</b>
<b>Net increase (decrease) in cash held</b>		<b>(105,048)</b>	<b>1,147,596</b>
Cash on hand at beginning of the financial year		3,567,413	2,419,817
<b>Cash on hand at the end of the financial year</b>	<b>3</b>	<b>3,462,365</b>	<b>3,567,413</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 28 November 2022 by the directors of the Group.

#### 1 Summary of Significant 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

##### Revenue recognition

The Group has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058).

##### *Operating grants, donations and bequests*

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### **1 Summary of Significant Accounting Policies *Continued***

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions or revenue); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

#### *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.

#### **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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2022

**1 Summary of Significant Accounting Policies *Continued*****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:

<b>Fixed Asset Class</b>	<b>Depreciation Rate</b>
Audio & video equipment	20%
Buildings & leasehold improvements	10-14%
Furniture & fittings	14%
Computer equipment	33%
Other equipment	10%

**c Staffing**

During the comparative financial year ended 30 September 2021, Many Rooms and the Melbourne Anglican Diocesan Corporation Ltd were eligible for the federal government's Jobkeeper program which resulted in the secure employment of eligible Many Rooms staff and Anglican Diocese of Melbourne staff, including workers of City on a Hill (Authorised Anglican Congregations). This program reduced some wage costs for the group during the 2020 and 2021 years with the program coming to an end on 28 March 2021. All benefits from the program were forwarded on to the eligible employees in the year of receipt, consistent with the purpose of the program, with all legal eligibility and other requirements met.

**d 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*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### **1 Summary of Significant 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.

#### **e 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*

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## FOR THE YEAR ENDED 30 SEPTEMBER 2022

**1 Summary of Significant Accounting Policies *Continued*****f 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.

**g Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, bank overdrafts and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**h Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.



## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### **1 Summary of Significant Accounting Policies *Continued***

##### **i 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.

##### **j 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*.

##### **k 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.

##### **l 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.

##### **m 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.

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 1 **Summary of Significant Accounting Policies *Continued***

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(k), 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.

##### **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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2022

**1 Summary of Significant Accounting Policies *Continued*****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.

**2 Revenue**

	2022 \$	2021 \$
Giving	5,025,293	4,965,383
Grants - government	69,290	67,050
Grants - other	816,948	284,303
Event entry	100,221	9,729
Fundraising	122	348
	<u>6,011,874</u>	<u>5,326,813</u>

'Grants – government' include grant payments received from the Australian Government Department of Health to Many Rooms, funding its participation in the Community Visitors Scheme.

'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 and training future planters.

**3 Cash and cash equivalents**

Cash at bank	3,460,997	3,567,413
Unbanked cash	1,368	-
	<u>3,462,365</u>	<u>3,567,413</u>

**4 Trade and other receivables**

Trade receivables	-	94
Interest receivable	2,807	767
Other receivables	43,869	16,811
	<u>46,676</u>	<u>17,672</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**5 GST receivable**

	2022 \$	2021 \$
GST receivable	37,618	29,701
	<u>37,618</u>	<u>29,701</u>

**6 Prepayments**

Prepaid venue expense	20,072	19,544
Prepaid office rent expense	3,004	24,532
Prepaid software expense	15,293	14,531
Prepaid insurance expense	10,275	5,367
Prepaid employee allowances	484	1,450
	<u>49,128</u>	<u>65,424</u>

**7 Financial assets**

Term deposits	398,172	414,672
	<u>398,172</u>	<u>414,672</u>

**8 Other assets**

Current		
Office bonds and security deposits	1,266	-
Total other current assets	<u>1,266</u>	<u>-</u>
Non-current		
Office bonds and security deposits	66,672	69,418
Total other non-current assets	<u>66,672</u>	<u>69,418</u>
Total other assets	<u>67,938</u>	<u>69,418</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**9 Property, plant and equipment****a) Carrying amounts at balance date**

	2022 \$	2021 \$
Audio & video equipment at cost	288,876	235,259
Less accumulated depreciation	(143,449)	(117,086)
	<u>145,427</u>	<u>118,173</u>
Building & leasehold improvements at cost	182,069	89,745
Less accumulated depreciation	(49,461)	(38,978)
	<u>132,608</u>	<u>50,767</u>
Furniture & fittings at cost	217,342	91,073
Less accumulated depreciation	(74,907)	(55,303)
	<u>142,435</u>	<u>35,770</u>
Computer equipment at cost	146,405	152,568
Less accumulated depreciation	(87,993)	(93,519)
	<u>58,412</u>	<u>59,049</u>
Other equipment at cost	53,465	41,373
Less accumulated depreciation	(31,766)	(30,051)
	<u>21,699</u>	<u>11,322</u>
	<u>500,581</u>	<u>275,081</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2022

**9 Property, plant and equipment *continued*****a) 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 \$	Total \$
<b>2022</b>						
Balance at the beginning of the year	118,173	50,767	35,769	59,049	11,323	275,081
Additions at cost	77,805	92,324	124,911	37,689	12,094	344,823
Work in progress	-	-	2,653	-	-	2,653
Disposals	(24,188)	-	(1,293)	(43,853)	-	(69,334)
Depreciation write-back	9,268	-	33	37,306	-	46,607
Depreciation expense	(35,631)	(10,483)	(19,638)	(31,781)	(1,716)	(99,249)
Carrying amount at the end of the year	145,427	132,608	142,435	58,410	21,701	500,581

**10 Right of use assets**

	2022 \$	2021 \$
Non-current		
Right of use assets	677,236	677,236
Less accumulated depreciation	(121,501)	(17,917)
Total non-current right of use asset	555,735	659,319

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

Depreciation charge related to right-of-use assets	103,584	59,406
Interest expense on lease liability	36,469	7,160
Short term leases expenses	336,127	209,788

**11 Trade and other payables**

Trade payables	33,518	52,370
Credit cards	188	(5,136)
Accrued expenses	51,244	3,280
Superannuation payable	-	142
Wages payable	1,300	1,417
Other payables	-	90,733
	86,250	142,806

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**12 Employee benefits**

	2022 \$	2021 \$
Current		
Annual leave entitlement	321,021	293,899
Long service leave entitlement	149,501	73,994
Fringe benefits	8,487	26,946
Total current employee benefits	<u>479,009</u>	<u>394,839</u>
Non-current		
Long service leave entitlement	29,908	30,995
Total non-current employee benefits	<u>29,908</u>	<u>30,995</u>
Total employee benefits	<u>508,917</u>	<u>425,834</u>

**13 PAYG withholding payable**

PAYG withholding payable	16,716	12,215
	<u>16,716</u>	<u>12,215</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	124,230	104,425
Later than one year and not later than five years	514,704	514,824
Later than five years	77,872	201,982
Total minimum payments	<u>716,806</u>	<u>821,231</u>
Less finance charges	(104,262)	(140,731)
Present value of minimum payments	<u>612,544</u>	<u>680,500</u>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 15 Unearned revenue

	2022 \$	2021 \$
Grant revenue received in advance	19,688	72,654
	<u>19,688</u>	<u>72,654</u>

## 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 \$610,847 (2021: \$596,831).

The key management positions included in this value comprise the Senior Pastor, Executive Pastor of Ministry & Operations, Lead Pastors with active positions on the board of directors and Finance Director. During the 2022 financial year, the total number of key management personnel remained unchanged.

Lay members serving on the Board 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.

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

During the year it was determined there were no related party transactions.



NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 18 Financial risk management

	Note	2022 \$	2021 \$
<b>Financial assets</b>			
Financial assets at amortised cost:			
Cash and cash equivalents	3	3,462,365	3,567,413
Trade and other receivables	4	46,676	17,672
Term deposits	7	398,172	414,672
<b>Total financial assets</b>		<b>3,907,213</b>	<b>3,999,757</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	11	86,250	142,806
Lease liabilities	14	612,544	680,500
<b>Total financial liabilities</b>		<b>698,794</b>	<b>823,306</b>

## 19 Cashflow information

## Reconciliation of result for the year to cashflows from operating activities

<b>Surplus/(deficit) for the year</b>	<b>109,407</b>	<b>1,120,008</b>
<b>Non-cashflows in profit:</b>		
Depreciation of property, plant & equipment	202,831	111,152
Interest on borrowings	-	269
Interest on lease liabilities	36,469	7,160
Loss on sale of property, plant & equipment	19,750	-
<b>Changes in assets and liabilities:</b>		
Net change in trade and other receivables	(29,004)	274,911
Net change in GST receivable	(7,918)	(21,828)
Net change in prepayments	16,296	(1,458)
Net change in other current assets	(1,266)	-
Net change in other non-current assets	2,746	(66,668)
Net change in trade and other payables	(56,556)	63,495
Net change in PAYG withholding payable	4,501	76
Net change in employee benefits	83,083	80,496
Net change in unearned revenue	(52,966)	(181,496)
<b>Cash generated by operating activities</b>	<b>327,373</b>	<b>1,386,117</b>

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

FOR THE YEAR ENDED 30 SEPTEMBER 2022

**20 Contingencies**

The group did not have any contingent liabilities and contracted commitments as at 30 September 2022

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

	Percentage owned (%) 2022	Percentage owned (%) 2021
<b>Subsidiaries</b>		
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 \$1,921,161 as at 30 September 2022 (2021: \$1,892,750). The total revenue and other income of City on a Hill for the 2022 financial year was \$3,593,557 (2021: \$3,391,176).

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2022

**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 \$358,691 as at 30 September 2022 (2021: \$315,635). The total revenue and other income of Many Rooms for the 2022 financial year was \$202,571 (2021: 167,408).

**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 \$419,413 as at 30 September 2022 (2021: \$419,827). The total revenue and other income of City on a Hill Foundation for the 2022 financial year was \$408,591 (2021: 373,834).

**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 \$77,357 as at 30 September 2022 (2021: \$151,769). The total revenue and other income of City on a Hill Creative for the 2022 financial year was \$109,158 (2021: 208,841).

**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 2022 covered the annual audit of City on a Hill Movement Limited and controlled entities. The audit fee for these entities totalled \$15,400 and was incurred and paid for by City on a Hill Movement Limited on behalf of the Group.

## DIRECTORS' DECLARATION

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### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 significant 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 Australian Accounting Standards as stated in Note 1 to the financial statements;
  - b) Present a true and fair view of the Company's financial position as at 30 September 2022 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 Regulation 2013*; 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-Profit Commissions Regulation 2013*.



Andrew Thorburn  
Director and Chairman of the Board



Ryan Hansen  
Director and Chairman of the Finance Committee

Dated on 28 November 2022

## **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 2022, 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 significant 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 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Act Regulations 2013*.

#### **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 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 entity 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.

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

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.

### **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.

## **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 2022.

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: 12 December 2022

## Profit and Loss By Segment (Unaudited)

City on a Hill Group

For the year ended 30 September 2022

	Melbourne	Geelong	Melbourne West	Brisbane	Melbourne East	Surf Coast	Gold Coast	Wollongong
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Revenue</b>								
Revenue from continuing operations	1,504,228	626,888	447,570	650,655	746,169	123,638	152,861	66,558
Other income	920	25,757	-	6,066	322	5	-	1,000
<b>Total Revenue</b>	<b>1,505,148</b>	<b>652,645</b>	<b>447,570</b>	<b>656,721</b>	<b>746,491</b>	<b>123,643</b>	<b>152,861</b>	<b>67,558</b>
<b>Movement Cross Charges</b>								
Central contributions	(337,200)	(142,800)	(99,600)	(153,600)	(146,400)	(33,600)	(34,800)	(19,200)
Church planting distributions	-	2,500	-	-	-	34,400	41,933	89,268
Other movement cross charges	371,139	72,623	-	11,000	9,614	-	6,000	4,000
Foundation distributions	-	-	-	-	-	-	-	-
<b>Total Movement Cross Charges</b>	<b>33,939</b>	<b>(67,677)</b>	<b>(99,600)</b>	<b>(142,600)</b>	<b>(136,786)</b>	<b>800</b>	<b>13,133</b>	<b>74,068</b>
<b>Operating Expenses</b>								
Ministry programs	141,899	64,073	17,251	97,969	86,109	12,256	21,783	13,797
Depreciation expense	110,583	13,954	2,276	5,356	40,400	3,675	3,988	1,488
Occupancy	263,007	26,442	30,773	91,270	74,087	5,870	7,170	19,078
Operations	34,917	21,722	4,711	42,866	13,591	3,880	12,424	8,180
Other expenses	8,656	-	(271)	(214)	4	-	-	2
Partnerships	54,781	105,205	25,776	10,920	24,204	4,410	1,144	-
Staffing	821,553	406,537	239,800	329,266	353,568	98,893	129,009	115,525
<b>Total Expenditure</b>	<b>1,435,396</b>	<b>637,933</b>	<b>320,316</b>	<b>577,433</b>	<b>591,963</b>	<b>128,984</b>	<b>175,518</b>	<b>158,070</b>
<b>Operating surplus (deficit)</b>	<b>103,691</b>	<b>(52,965)</b>	<b>27,654</b>	<b>(63,312)</b>	<b>17,742</b>	<b>(4,541)</b>	<b>(9,524)</b>	<b>(16,444)</b>
<b>Kingdom funds &amp; Retained Earnings/Net Assets</b>								
Kingdom fund adjustments	162,566	41,252	(24,769)	(585)	(5,528)	7,424	(20,907)	(372)
Quarantined kingdom funds <sup>1</sup>	373,916	158,224	86,818	130,481	191,024	44,003	53,041	40,454
Available kingdom funds <sup>2</sup>	160,721	52,914	167,719	117,332	200,672	25,596	57,521	-
<b>Total retained earnings/Net Assets</b>	<b>697,203</b>	<b>252,390</b>	<b>229,768</b>	<b>247,228</b>	<b>386,168</b>	<b>77,023</b>	<b>89,655</b>	<b>40,082</b>

<sup>1</sup>Quarantied 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.

<sup>2</sup>Available 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 2022

	Church Planting	Central	Foundation	Many Rooms Ltd	Creative	Total	Financial Statements
	(\$)		(\$)	(\$)	(\$)	(\$)	
<b>Revenue</b>							
Revenue from continuing operations	527,554	454,641	408,591	202,521	100,000	6,011,874	6,011,874
Other income	2,030	90,775	-	50	9,158	136,083	136,083
<b>Total Revenue</b>	<b>529,584</b>	<b>545,416</b>	<b>408,591</b>	<b>202,571</b>	<b>109,158</b>	<b>6,147,957</b>	<b>6,147,957</b>
<b>Movement Cross Charges</b>							
Central contributions	-	982,200	-	(15,000)	-	-	-
Church planting distributions	(168,101)	-	-	-	-	-	-
Other movement cross charges	(150,483)	22,885	(3,636)	-	(343,142)	-	-
Foundation distributions	-	-	(261,000)	54,000	207,000	-	-
<b>Total Movement Cross Charges</b>	<b>(318,584)</b>	<b>1,005,085</b>	<b>(264,636)</b>	<b>39,000</b>	<b>(136,142)</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>							
Ministry programs	2,314	99,905	-	14,628	255	572,239	572,239
Depreciation expense	1,009	14,006	-	667	5,429	202,831	202,831
Occupancy	414	8,731	-	12,436	-	539,278	539,278
Operations	3,482	258,220	5,969	1,763	6,885	418,610	418,610
Other expenses	-	43	-	-	11,678	19,898	19,898
Partnerships	27,501	-	138,400	-	-	392,341	392,341
Staffing	-	1,231,558	-	167,644	-	3,893,353	3,893,353
<b>Total Expenditure</b>	<b>34,720</b>	<b>1,612,463</b>	<b>144,369</b>	<b>197,138</b>	<b>24,247</b>	<b>6,038,550</b>	<b>6,038,550</b>
<b>Operating surplus (deficit)</b>	<b>176,280</b>	<b>(61,962)</b>	<b>(414)</b>	<b>44,433</b>	<b>(51,231)</b>	<b>109,407</b>	<b>109,407</b>
<b>Kingdom funds &amp; Retained Earnings/Net Assets</b>							
Kingdom fund adjustments	53,103	(133,520)	NA				
Quarantined kingdom funds <sup>1</sup>	37,462	433,624					
Available kingdom funds <sup>2</sup>	483,683	131,970					
<b>Total retained earnings/Net Assets</b>	<b>574,248</b>	<b>432,074</b>	<b>419,413</b>	<b>358,691</b>	<b>70,155</b>	<b>3,874,098</b>	

<sup>1</sup>Quarantied 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.

<sup>2</sup>Available 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