

Coptic Orthodox Church - Diocese of Sydney and Affiliated Regions

ABN: 61 746 813 182

Aggregated financial report (audited)

For the year ended 30 June 2021

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

AGGREGATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|---------------------|---------------------|
| Revenue and other income | | | |
| Revenue from contracts with customers | 3 | 10,023,097 | 9,085,134 |
| Other revenue | 4 | <u>43,589,215</u> | <u>42,414,341</u> |
| | | <u>53,612,312</u> | <u>51,499,475</u> |
| Less: expenses | | | |
| Cost of goods sold | | (185,550) | (19,553) |
| Depreciation and amortisation expense | 5 | (2,332,121) | (1,660,108) |
| Employee benefits expense | | (20,154,419) | (18,351,400) |
| Occupancy expense | | (1,043,826) | (931,358) |
| Lease expense | | (612,735) | (553,850) |
| Finance costs | 5 | (1,403,899) | (2,184,366) |
| Gifts and donations | | (2,826,588) | (1,495,954) |
| Motor vehicle expenses | | (479,014) | (510,944) |
| Insurance | | (892,615) | (887,749) |
| Loss/(gain) on sale of land and buildings | | 3,285,082 | (2,213,709) |
| Professional fees | | (432,952) | (349,338) |
| Other expenses | | <u>(6,465,723)</u> | <u>(7,865,518)</u> |
| | | <u>(33,544,360)</u> | <u>(37,023,847)</u> |
| Profit before income tax expense | | 20,067,952 | 14,475,628 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit and loss</i> | | | |
| Disposal of land and buildings | | <u>(42,178)</u> | - |
| | | <u>(42,178)</u> | - |
| Other comprehensive income for the year | | <u>(42,178)</u> | - |
| Total comprehensive income | | <u>20,025,774</u> | <u>14,475,628</u> |

The accompanying notes form part of these financial statements.

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

AGGREGATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|--------------------|--------------------|
| Current assets | | | |
| Cash and cash equivalents | 6 | 44,554,531 | 38,458,971 |
| Receivables | 7 | 2,518,689 | 1,818,815 |
| Inventories | 8 | 675,735 | 686,513 |
| Other assets | 11 | <u>752,742</u> | <u>823,325</u> |
| Total current assets | | <u>48,501,697</u> | <u>41,787,624</u> |
| Non-current assets | | | |
| Receivables | 7 | 797,337 | 797,337 |
| Other financial assets | 9 | 2,249,764 | 2,249,764 |
| Property, plant and equipment | 10 | 228,561,413 | 216,930,930 |
| Other assets | 11 | <u>1,067,419</u> | <u>354,632</u> |
| Total non-current assets | | <u>232,675,933</u> | <u>220,332,663</u> |
| Total assets | | <u>281,177,630</u> | <u>262,120,287</u> |
| Current liabilities | | | |
| Payables | 12 | 4,902,094 | 4,593,642 |
| Borrowings | 13 | 2,740,839 | 6,313,184 |
| Other liabilities | 14 | <u>154,654</u> | <u>144,385</u> |
| Total current liabilities | | <u>7,797,587</u> | <u>11,051,211</u> |
| Non-current liabilities | | | |
| Payables | 12 | 1,242,394 | 1,726,799 |
| Borrowings | 13 | <u>54,788,433</u> | <u>52,018,835</u> |
| Total non-current liabilities | | <u>56,030,827</u> | <u>53,745,634</u> |
| Total liabilities | | <u>63,828,414</u> | <u>64,796,845</u> |
| Net assets | | <u>217,349,216</u> | <u>197,323,442</u> |
| Members' funds | | | |
| Reserves | 15 | 14,534,033 | 14,576,211 |
| Accumulated surplus | 16 | <u>202,815,183</u> | <u>182,747,231</u> |
| Total members' funds | | <u>217,349,216</u> | <u>197,323,442</u> |

The accompanying notes form part of these financial statements.

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

AGGREGATED STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

| | Reserves \$ | Retained earnings \$ | Total members' funds \$ |
|--|-------------------|----------------------------|----------------------------------|
| Consolidated | | | |
| Balance as at 1 July 2019 | 14,576,211 | 168,271,603 | 182,847,814 |
| Profit for the year | <u>-</u> | <u>14,475,628</u> | <u>14,475,628</u> |
| Total comprehensive income for the year | <u>-</u> | <u>14,475,628</u> | <u>14,475,628</u> |
| Balance as at 30 June 2020 | <u>14,576,211</u> | <u>182,747,231</u> | <u>197,323,442</u> |
| Balance as at 1 July 2020 | 14,576,211 | 182,747,231 | 197,323,442 |
| Profit for the year | - | 20,067,952 | 20,067,952 |
| Other comprehensive income for the year | <u>(42,178)</u> | <u>-</u> | <u>(42,178)</u> |
| Total comprehensive income for the year | <u>(42,178)</u> | <u>20,067,952</u> | <u>20,025,774</u> |
| Balance as at 30 June 2021 | <u>14,534,033</u> | <u>202,815,183</u> | <u>217,349,216</u> |

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Trustees have determined that the Diocese is not a reporting entity on the basis that, in the opinion of the Trustees, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

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

(a) Basis of preparation of the financial report

Historical Cost Convention

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

(b) Principles of aggregation

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

The financial statements of the majority of all of the aggregated entities are prepared for the same reporting period using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

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

(c) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue from contracts with customers

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

Revenue from the provision of services

Revenue from student fees for the colleges is recognised over the period to which the provision of education services relate. Fees received in advance are disclosed as a contract liability.

Revenue from the various church activities and programs is recognised at the point of time that the service is provided.

These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

Revenue from the sale of goods

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

Contract liabilities

A contract liability represents the Diocese's obligation to provide future services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the Diocese has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income arising from the transfer of assets

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

Donations

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

Operating grants

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

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other revenue and other income

Interest

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

Rental income

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

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

(g) Borrowing costs

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

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

(h) Cash and cash equivalents

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

(i) Financial instruments

Initial recognition and measurement

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

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Classification of financial assets

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

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

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

Classification of financial liabilities

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

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

Trade and other receivables

Trade and other receivables arise from the Diocese's transactions with its customers and are normally settled within 30 days.

Consistent with both the Diocese's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Long-term equity instruments

Long-term equity instruments comprise ordinary shares in listed entities that are not held for trading. On initial recognition, investments identified by the Diocese as long-term equity instruments are irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors' believe that to otherwise recognise changes in the fair value of these investments in profit or loss would be inconsistent with the objective of holding the investments for the long term.

(j) Inventories

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

(k) Property, plant and equipment

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (Continued)

Property

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

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

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

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

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the aggregated statement of financial position are shown inclusive of GST.

(m) New and revised accounting standards effective at 30 June 2021

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

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: ENTITIES IN AGGREGATION

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

| Entities | ABN | Included in this aggregation | |
|--|----------------|------------------------------|-----------|
| | | 2021 % | 2020 % |
| The Apostles & St Abanoub Church, Blacktown | 53 955 642 303 | 100 | 100 |
| St Paul & St Reweis Church, Collaroy | 85 573 869 941 | 100 | 100 |
| St Mina & St Anthony Church, Gold Coast | 90 289 364 462 | 100 | 100 |
| St Mary & St Luke Church, Gosford | 61 861 984 981 | 100 | 100 |
| St Mary, St Bakhomios & St Shenouda Church, Kirrawee | 40 828 692 116 | 100 | 100 |
| St Bakhomios Coptic School Building Fund, Kirrawee | 67 755 060 974 | 100 | 100 |
| St Mary & St Mina Cathedral, Bexley | 72 945 177 814 | 100 | 100 |
| St Mary & St Sidhom Bishay Church, Dural | 83 669 987 632 | 100 | 100 |
| St Mary & St Moses Church, Bundaberg | 27 924 508 043 | 100 | 100 |
| St Mary & St Merkorious (Abu Sefein) Church, Rhodes | 92 477 472 779 | 100 | 100 |
| St Markorious Coptic School Building Fund, Rhodes | 17 724 241 788 | 100 | 100 |
| St Mary and St Marina Church, Penrith | 72 305 817 068 | 100 | 100 |
| St Mary & St George Church, Townsville | 60 636 339 815 | 100 | 100 |
| St Mary & St Anthony Monastery, Kooralbyn | 34 912 016 065 | 100 | 100 |
| St Mark's Church, Arncliffe | 69 576 023 012 | 100 | 100 |
| St Mark & St George Church, North Brisbane | 62 153 692 117 | 100 | 100 |
| St George & Prince Theodorus Church, Liverpool | 26 873 693 121 | 100 | 100 |
| St George Church, Kensington | 65 665 091 236 | 100 | 100 |
| St Demiana & St Athanasius Church, Punchbowl | 72 289 976 098 | 100 | 100 |
| St Demiana & St Athanasius Church, Punchbowl | 72 289 976 098 | 100 | 100 |
| St Barbara & St Abbanoufer El Saih Church, Campbelltown | 73 797 860 219 | 100 | 100 |
| St Antonious & St Paul Church, Guildford | 17 976 094 371 | 100 | 100 |
| St Paul & St Peter Church, Shellharbour | 33 249 032 718 | 100 | 100 |
| St Maximus & St Domadius Church, Goulburn | 68 953 195 662 | 100 | 100 |
| St Mary, St Kosman & St Demian Church, Kellyville | 54 104 883 943 | 100 | 100 |
| St Karas The Hermit Church, Theresa Park | 45 355 006 357 | 100 | 100 |
| St Mary & St Joseph Church, Brisbane | 50 249 696 131 | 100 | 100 |
| St Mary & St John The Beloved Church, Wagga Wagga | 36 305 090 709 | 100 | 100 |
| St Mary & St George Church, Newcastle | 83 589 021 495 | 100 | 100 |
| St Mary & St Pope Kyrellos VI Church, Taree | 45 770 740 591 | 100 | 100 |
| Virgin Mary Church Brisbane | 98 307 564 468 | 100 | 100 |
| St Luke's Church, Sylvania | 19 176 832 436 | 100 | 100 |
| St John the Baptist & St Elijah the Profit Church, Dubbo | 40 349 713 368 | 100 | 100 |
| St Pope Kyrillos VI Church, Monterey | 84 536 484 101 | 100 | 100 |
| Archangel Michael & St Bishoy Church, Mount Druitt | 30 673 858 864 | 100 | 100 |
| Archangel Michael School Building Fund, Mount Druitt | 53 287 181 065 | 100 | 100 |

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: ENTITIES IN AGGREGATION (CONTINUED)

(Continued)

| Entities | ABN | Included in this aggregation | |
|---|----------------|------------------------------|------------|
| | | 2021 % | 2020 % |
| St Abraam & St Mikhail Al-Behairy Church, Peakhurst | 59 103 240 341 | 100 | 100 |
| Coptic Orthodox Church (NSW) Property Trust | 61 746 813 182 | 100 | 100 |
| Almanara Charity Support | 61 746 813 182 | 100 | 100 |
| Coptic Orthodox Youth Association | 70 998 106 569 | 100 | 100 |
| Coptic Orthodox Church Outreach Society | 35 131 816 531 | 100 | 100 |
| Needy Christian Fund | 68 721 348 131 | 100 | 100 |
| St Antonious & St Paul Vacation Care Centre | 38 315 787 837 | 100 | 100 |
| St Mark's Vacation Centre | 35 980 870 476 | 100 | 100 |
| St Demiana Vacation Centre | 66 099 527 246 | 100 | 100 |
| Angelos Child Care Centre | 65 128 738 287 | 100 | 100 |
| Angel Child Care | 88 121 982 974 | 100 | 100 |
| St Cyril's Coptic Orthodox Theological College | 50 716 491 489 | 100 | 100 |
| St Mary's & St Mina's Coptic Orthodox College | 12 088 041 913 | 100 | 100 |
| St Mark's Coptic Orthodox College | 64 796 481 099 | 100 | 100 |
| St Bishoy Coptic Orthodox College | 66 095 976 686 | 100 | 100 |
| The Trustee for Coptic Benevolent Fund for Pope Shenouda, Long Point | 19 428 843 006 | 100 | 100 |
| Coptic Orthodox Church Diocese of Sydney & Affiliated Regions | 61 746 813 182 | 100 | 100 |
| St Abraam & Pope Shenouda III Church (Abba Abraam Church), Long Point | 62 269 006 147 | 100 | 100 |

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|--|-------------------|------------------|
| | \$ | \$ |
| NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Sales income | | |
| Book shop income | 319,536 | 215,974 |
| Canteen income | 901,759 | 863,944 |
| Holy bread income | 67,505 | 67,304 |
| Ladies activities | 679,925 | 478,056 |
| Other church activities | 673,947 | 540,888 |
| Sunday school | 30,729 | 75,268 |
| Uniform | 42,115 | 43,617 |
| Youth income | 81,168 | 76,739 |
| Student tuition and other activity fees | 5,557,730 | 5,360,904 |
| Vacation care centre fees | 1,521,245 | 1,271,900 |
| Membership fees | <u>147,439</u> | <u>90,540</u> |
| | <u>10,023,098</u> | <u>9,085,134</u> |
| | <u>10,023,098</u> | <u>9,085,134</u> |

NOTE 4: OTHER REVENUE AND OTHER INCOME

| | | |
|--|-------------------|-------------------|
| Interest income | 84,940 | 274,328 |
| Donations | 7,378,838 | 6,087,430 |
| Government grants | 16,477,538 | 19,081,800 |
| Boxes and plates | 3,349,500 | 2,783,958 |
| Sunday School Building Funds | 9,985,055 | 9,089,594 |
| Other DGR funds | 1,604,143 | 994,391 |
| Cash flow boosts | 262,899 | 190,799 |
| JobKeeper income | 921,400 | 375,860 |
| Other income | 667,810 | 827,803 |
| Vacation centre government assistance & other income | 876,749 | 831,082 |
| Rental income | <u>1,980,342</u> | <u>1,877,295</u> |
| | <u>43,589,214</u> | <u>42,414,340</u> |

NOTE 5: OPERATING PROFIT

Profit before income tax has been determined after:

| | | |
|------------------------|-----------|-----------|
| Cost of sales | 185,550 | 19,553 |
| Finance costs | 1,403,899 | 2,184,366 |
| Depreciation | 2,332,121 | 1,660,108 |
| Bad and doubtful debts | 43,332 | 58,633 |

COPTIC ORTHODOX CHURCH - DIOCESE OF SYDNEY AND AFFILIATED REGIONS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| NOTE 5: OPERATING PROFIT (CONTINUED) | | |
| Rental expense on operating leases | 612,735 | 553,850 |
| Employee benefits | 20,154,419 | 18,351,400 |
| Net loss on disposal of non-current assets | | |
| - (Gain)/Loss on sale of property, plant and equipment | (3,285,082) | 2,213,709 |
| NOTE 6: CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 82,105 | 32,688 |
| Cash at bank | 30,169,863 | 21,328,169 |
| Cash on deposit | <u>14,302,563</u> | <u>17,098,114</u> |
| | <u>44,554,531</u> | <u>38,458,971</u> |
| NOTE 7: RECEIVABLES | | |
| CURRENT | | |
| Receivables from contracts with customers | 2,405,654 | 2,183,064 |
| Allowance for credit losses | <u>(120,000)</u> | <u>(229,096)</u> |
| | 2,285,654 | 1,953,968 |
| Other receivables | <u>233,035</u> | <u>(135,153)</u> |
| | <u>2,518,689</u> | <u>1,818,815</u> |
| NON CURRENT | | |
| Loans to related parties | <u>797,337</u> | <u>797,337</u> |
| <p>Loan is receivable from a related party in which the diocese has an investment recorded as a financial asset in Note 9. The loan is interest free.</p> | | |
| NOTE 8: INVENTORIES | | |
| CURRENT | | |
| <i>At cost</i> | | |
| Finished goods | <u>675,735</u> | <u>686,513</u> |

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

| | 2021 | 2020 |
|---|---------------------|--------------------|
| | \$ | \$ |
| NOTE 9: OTHER FINANCIAL ASSETS | | |
| NON CURRENT | | |
| <i>Financial assets at fair value through profit or loss</i> | | |
| Shares in related companies | <u>2,249,764</u> | <u>2,249,764</u> |
| <p>All financial assets at fair value through profit or loss are designated on initial recognition. The entity owns 66% of the proprietary company and have assessed that they do not control the investment and further advised that they do not intend to control the investment and have not consolidated the results of the related company. The only material asset of the related company is land which is in the process of being sold. The related company will be wound up following the sale of the land.</p> | | |
| NOTE 10: PROPERTY, PLANT AND EQUIPMENT | | |
| Land and buildings | | |
| At valuation | 231,085,160 | 217,787,083 |
| Accumulated depreciation | <u>(10,569,922)</u> | <u>(9,230,270)</u> |
| | <u>220,515,238</u> | <u>208,556,813</u> |
| Plant and equipment | | |
| Plant and equipment at cost | 7,847,848 | 7,596,001 |
| Accumulated depreciation | <u>(4,153,758)</u> | <u>(3,651,481)</u> |
| | 3,694,090 | 3,944,520 |
| Motor vehicles at cost | 2,124,625 | 1,996,391 |
| Accumulated depreciation | <u>(1,399,748)</u> | <u>(1,175,043)</u> |
| | 724,877 | 821,348 |
| Other fixed assets at cost | 806,706 | 798,451 |
| Accumulated depreciation | <u>(59,944)</u> | <u>(56,603)</u> |
| | 746,762 | 741,848 |
| Furniture, fixtures and fittings at cost | 5,389,319 | 5,144,475 |
| Accumulated depreciation | <u>(3,266,821)</u> | <u>(3,041,905)</u> |
| | 2,122,498 | 2,102,570 |
| Altars and icons at cost | 1,702,223 | 1,690,049 |
| Accumulated depreciation | <u>(944,275)</u> | <u>(926,218)</u> |
| | <u>757,948</u> | <u>763,831</u> |
| Total plant and equipment | <u>8,046,175</u> | <u>8,374,117</u> |
| Total property, plant and equipment | <u>228,561,413</u> | <u>216,930,930</u> |

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|--------------------|------|
| | \$ | \$ |
| NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED) | | |
| (a) Reconciliations | | |
| <i>Land and buildings</i> | | |
| Opening carrying amount | 208,556,812 | - |
| Additions | 15,193,213 | - |
| Disposals | <u>(3,234,787)</u> | - |
| Closing carrying amount | <u>220,515,238</u> | - |
| <i>Plant and equipment</i> | | |
| Opening carrying amount | 3,944,520 | - |
| Additions | 251,847 | - |
| Depreciation expense | <u>(502,277)</u> | - |
| Closing carrying amount | <u>3,694,090</u> | - |
| <i>Motor vehicles</i> | | |
| Opening carrying amount | 821,348 | - |
| Additions | 146,291 | - |
| Depreciation expense | <u>(242,762)</u> | - |
| Closing carrying amount | <u>724,877</u> | - |
| <i>Other fixed assets</i> | | |
| Opening carrying amount | 741,489 | - |
| Additions | 131,482 | - |
| Depreciation expense | <u>(126,209)</u> | - |
| Closing carrying amount | <u>746,762</u> | - |
| <i>Furniture, fixtures and fittings</i> | | |
| Opening carrying amount | 2,102,570 | - |
| Additions | 244,844 | - |
| Depreciation expense | <u>(224,916)</u> | - |
| Closing carrying amount | <u>2,122,498</u> | - |
| <i>Altars and icons at cost</i> | | |
| Opening carrying amount | 763,831 | - |
| Additions | 12,174 | - |
| Depreciation expense | <u>(18,057)</u> | - |
| Closing carrying amount | <u>757,948</u> | - |

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|-------------------------------|-------------------|-------------------|
| | \$ | \$ |
| NOTE 11: OTHER ASSETS | | |
| CURRENT | | |
| Prepayments | 99,197 | 27,966 |
| Other current assets | <u>653,545</u> | <u>795,359</u> |
| | <u>752,742</u> | <u>823,325</u> |
| NON CURRENT | | |
| Other non-current assets | <u>1,067,419</u> | <u>354,632</u> |
| NOTE 12: PAYABLES | | |
| CURRENT | | |
| <i>Unsecured liabilities</i> | | |
| Trade creditors | 93,185 | 49,631 |
| Sundry creditors and accruals | 4,100,490 | 4,061,092 |
| Loans from congregations | <u>708,419</u> | <u>482,919</u> |
| | <u>4,902,094</u> | <u>4,593,642</u> |
| NON CURRENT | | |
| <i>Unsecured liabilities</i> | | |
| Other payables | <u>1,242,394</u> | <u>1,726,799</u> |
| NOTE 13: BORROWINGS | | |
| CURRENT | | |
| <i>Secured liabilities</i> | | |
| Bank loans | <u>2,740,839</u> | <u>6,313,184</u> |
| NON CURRENT | | |
| <i>Secured liabilities</i> | | |
| Bank loans | <u>54,788,433</u> | <u>52,018,835</u> |

(a) Assets pledged as security

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

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| NOTE 14: OTHER LIABILITIES | | |
| CURRENT | | |
| Contract liabilities | <u>154,654</u> | <u>144,385</u> |

NOTE 15: RESERVES

| | | |
|---------------------------|-------------------|-------------------|
| Asset revaluation reserve | <u>14,534,033</u> | <u>14,576,211</u> |
| | <u>14,534,033</u> | <u>14,576,211</u> |

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

NOTE 16: ACCUMULATED SURPLUS

| | | |
|--|--------------------|--------------------|
| Accumulated surplus at beginning of year | 182,747,231 | 168,271,603 |
| Net profit | <u>20,067,952</u> | <u>14,475,628</u> |
| | <u>202,815,183</u> | <u>182,747,231</u> |

NOTE 17: CONTINGENT LIABILITIES

A contingent liability exists for the Bishoy Coptic Orthodox College ("College") which is dependent on the grants it receives from the State and Commonwealth Governments in order to continue its operations as an educational institution. The College is currently being investigated by the NSW Department of Education in relation to potential breaches of section 83C of the *Education Act 1990* (NSW) (the Act).

While the NSW Department of Education's investigation is ongoing, the financial implications for the College in terms of any potential impact to future government funding is significantly uncertain. Potential implications include refunds of government grants received or a reduction in the future level of grants.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Diocese, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Diocese.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 19: ENTITY DETAILS

The registered office of the Diocese is:

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

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

DECLARATION BY THE TRUSTEES

The trustees declare that:

1. there are reasonable grounds to believe that the diocese is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

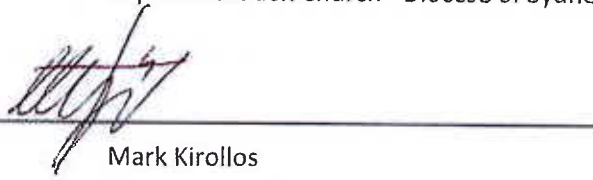
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Trustee member



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

Trustee member



Mark Kirillos
Trustee
Coptic Orthodox Church - Diocese of Sydney & Affiliated Regions

Dated this

22nd

day of

DECEMBER

2021



Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

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Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

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

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF COPTIC ORTHODOX CHURCH DIOCESE OF SYDNEY AND AFFILIATED
REGIONS**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Coptic Orthodox Church Diocese of Sydney and Affiliated Regions, "the Diocese", which comprises the aggregated statement of financial position as at 30 June 2021, the aggregated statement of profit or loss and other comprehensive income and aggregated statement of changes in members funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the trustees.

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

- (a) giving a true and fair view of the Diocese's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Diocese in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

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

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF COPTIC ORTHODOX CHURCH DIOCESE OF SYDNEY AND AFFILIATED
REGIONS***Responsibilities of Management and Those Charged with Governance for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Diocese's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Diocese or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Diocese's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF COPTIC ORTHODOX CHURCH DIOCESE OF SYDNEY AND AFFILIATED
REGIONS**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

We communicate with the trustees 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.



Rod Shanley

Partner



Pitcher Partners

Sydney

22 December 2021