

**PATHWAY**  
Community Centre

PATHWAY COMMUNITY CENTRE INCORPORATED

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

PATHWAY COMMUNITY CENTRE INCORPORATED

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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**PATHWAY COMMUNITY CENTRE INCORPORATED**

**REPORT OF THE BOARD**

**FOR THE YEAR ENDED 31 DECEMBER 2021**


In accordance with Section 35(5) of the Association Act, 1985, the management Board of Pathway Community Centre Incorporated (PCC) hereby states that during the financial year ended 31 December 2021;

- (i) no officer of the PCC ;
- (ii) no firm in which an officer was a member; and
- (iii) no body corporate in which an officer has a substantial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the PCC and no officer has received either directly or indirectly from the PCC any payment or other benefit of a pecuniary value with the exception of:

- Salaries and benefits paid to some salaried employees of the PCC that are also Ex-officio members of the PCC Board.

Signed this **27** day of **April** **2022**, in accordance with a resolution of the PCC Board.

  
..... Chair, PCC Board

  
..... Member, PCC Board

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**SUMMARY INCOME & EXPENDITURE STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes/Reference	2021 \$	2020 \$
<b>Income</b>			
Income - donations & appeals	Page 11	226,458	72,056
Other Income - Op Shop & miscellaneous	Page 11	202,286	199,294
<b>Total Income</b>		<b>428,744</b>	<b>271,349</b>
<b>Gross Profit</b>			
		<b>428,744</b>	<b>271,349</b>
<b>Operating Expenses</b>			
Community Care	Page 11	(11,437)	(5,439)
Facility Expenses	Page 11	(45,392)	(20,200)
Utility/Service Expenses	Page 11	(12,484)	(13,803)
Equipment Expenses	Page 11	(1,424)	(2,719)
Vehicle Expenses	Page 11	(21,443)	(9,099)
Employment Expenses	Page 11	(159,669)	(70,261)
Finance & Compliance Expenses	Page 11	(5,929)	(5,008)
Program Expenses	Page 12	(3,611)	(6,025)
<b>Total Operating Expenses</b>		<b>(261,389)</b>	<b>(132,555)</b>
<b>EBITDA</b>			
		<b>167,355</b>	<b>138,795</b>
<b>Interest Tax Depreciation &amp; Amortisation</b>			
Depreciation	Page 12	(8,901)	(8,352)
<b>Total Interest Tax Depreciation &amp; Amortisation</b>		<b>(8,901)</b>	<b>(8,352)</b>
<b>Operating Surplus</b>			
		<b>158,454</b>	<b>130,443</b>
<b>Appeal Funds</b>			
		<b>0</b>	<b>0</b>
<b>Net Surplus</b>			
		<b>158,454</b>	<b>130,443</b>

THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, PAGES 8 - 9, FORMS PART OF THESE FINANCIAL STATEMENTS

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

<b>ASSETS</b>	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	2	410,928	242,458
<b>TOTAL CURRENT ASSETS</b>		<u><b>410,928</b></u>	<u><b>242,458</b></u>
<b>NON CURRENT ASSETS</b>			
Buildings Improvements	3	57,760	60,984
Plant & Equipment	4	36,905	38,233
Motor Vehicles	5	29,165	32,406
Work in Progress	6	3,571	0
<b>TOTAL NON CURRENT ASSETS</b>		<u><b>127,401</b></u>	<u><b>131,622</b></u>
<b>TOTAL ASSETS</b>		<u><b>538,329</b></u>	<u><b>374,080</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Charity Funds	7	15,331	20,603
Other Current Liabilities	8	21,869	10,802
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>37,200</b></u>	<u><b>31,405</b></u>
<b>TOTAL LIABILITIES</b>		37,200	31,405
<b>NET ASSETS</b>		<u><b>501,128</b></u>	<u><b>342,674</b></u>
<b>ACCUMULATED FUNDS</b>			
Accumulated Surplus brought forward		342,675	212,232
Transfer from Income & Expenditure Account this year		158,454	130,443
<b>TOTAL ACCUMULATED FUNDS</b>		<u><b>501,128</b></u>	<u><b>342,675</b></u>

THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, PAGES 8 - 9, FORMS PART OF THESE FINANCIAL STATEMENTS

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**STATEMENT OF CASH FLOWS**

**AS AT 31 DECEMBER 2021**

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus from ordinary operations	158,454	130,443
Adjustments for non-cash items:		
Depreciation	8,901	8,352
Increase in Charity Funds	(5,272)	10,677
Decrease in Other Current Liabilities	11,067	(19,654)
<i>Net cash from operating activities</i>	<u>173,150</u>	<u>129,818</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditure on Church Building Work in Progress	(3,571)	7,211
Purchase and sale of Plant & Equipment	(1,109)	(38,261)
<i>Net cash used in investing activities</i>	<u>(4,680)</u>	<u>(31,050)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

*Net cash used in financing activities*

**SUMMARY OF NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR**

Cash and Cash Equivalents at beginning of the year	242,458	143,690
Net cash from operating activities - as above	173,150	129,818
Net cash used in investing activities - as above	(4,680)	(31,050)
Net cash from financing activities - as above	0	0
<b>CASH AND CASH EQUIVALENTS AT YEAR END</b>	<u>410,928</u>	<u>242,458</u>

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 DECEMBER 2021**

	2021	2020
	\$	\$
<b>RETAINED EARNINGS</b>		
Accumulated Surplus		
Balance at start of Period	342,675	212,232
Surplus/(Deficit) for the Period	<u>158,454</u>	<u>130,443</u>
Balance at end of Period	<u>501,128</u>	<u>342,675</u>
<b>Total Retained Earnings</b>	<b><u>501,128</u></b>	<b><u>342,675</u></b>

## **PATHWAY COMMUNITY CENTRE INCORPORATED**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

##### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND FORMING PART OF THE FINANCIAL STATEMENTS**

###### **Basis of Accounting**

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the South Australian Associations Incorporation Act 1985.

The Board of Pathway Community Centre (PCC) has determined that PCC is not a reporting entity as users may obtain the financial information they require upon request. Therefore, there is no requirement to apply Australian Accounting Standards and Urgent Issues Group Interpretations in the preparation of this report.

The accounting policies used in the preparation of this report are described below and are, in the opinion of the Board of PCC appropriate for the purpose for which it has been prepared.

(a) The financial statements have been prepared on an accruals basis of accounting including the historical cost convention and the going concern assumption.

(b) The Board of PCC has prepared this special purpose financial report in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The requirements of International Financial Reporting Standards promulgated by the accounting profession do not have mandatory applicability to PCC in relation to the year ended 31 December 2021 because PCC is not a 'reporting entity' as defined therein. PCC has prepared the financial report in accordance with only the following Australian Accounting Standards:

- AASB 101 "Presentation of Financial Statements"
- AASB 107 "Statement of Cash Flows"
- AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- AASB 1031 "Materiality"
- AASB 1048 "Interpretation of Standards"
- AASB 1054 "Australian Additional Disclosures"

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

(c) Buildings Improvements, Plant & Equipment, Motor Vehicles are recorded at cost.

PCC does not have a policy on the revaluation of its fixed assets.

Any gain or loss on the disposal of assets is determined as the difference between the written-down value of the asset at the time of disposal and the proceeds from disposal, and is included in the results in the year of disposal.

###### *Depreciation*

Assets are depreciated over their useful lives. Depreciation is provided on a reducing balance basis on buildings improvements, on plant & equipment and on motor vehicles at rates calculated to allocate the cost, less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

An asset acquired during the year is depreciated for only the number of days owned in that year and not for a full year as for pre-existing assets.

Incomplete buildings improvements-in-progress at the end of the year are not depreciated.

(d) Income Tax

PCC is exempt from income tax under the provisions of Section 50-10 of the Income Tax Assessment Act 1997.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised at GST exclusive amounts.

(f) Critical Accounting Estimates and Judgments

The management Board of PCC evaluated the estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and from within PCC.

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

(g) Leases

Rent lease payments of \$46,000 have been disclosed separately and have not been assessed for compliance with recognition and measurement requirements in Australian Accounting Standards.

(h) Related Party Transactions

PCC is separately incorporated from Clovercrest Baptist Church (CBC) but has ministry alignment with CBC through the governing body. CBC charges rent to PCC at below market rates to enable PCC to further its charitable objectives. Also, CBC charges PCC a management charge for staff employed by CBC but engaged in work for PCC.

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. CASH & CASH EQUIVALENTS**

	2021	2020
	\$	\$
BFS 14519 Pathway Chq a/c	-	-
BFS Notice of Withdrawal 17075	114,543	113,283
BFS Pathway Operating 17074	278,296	108,984
BFS Provisions 17076	11,281	18,129
Petty Cash	443	85
Treasured Float	325	165
Debit Card Load & Go 0575	4	27
Cash in Transit to Bank	-	-
Trade Debtors	-	-
GST	6,037	1,786
<b>TOTAL</b>	<b>410,928</b>	<b>242,458</b>

**3. BUILDINGS IMPROVEMENTS**

Bldgs & Imprvmnts at Cost	64,482	64,482
Bldgs & Imprvmnts Acc Dep	(6,722)	(3,498)
<b>TOTAL</b>	<b>57,760</b>	<b>60,984</b>

**4. PLANT & EQUIPMENT**

Plant & Equipment at Cost	41,522	40,413
Plant & Equipment Acc Dep	(4,933)	(2,576)
Furniture & Fixtures at Cost	3,656	3,656
Furniture & Fixtures Acc Dep	(3,340)	(3,261)
<b>TOTAL</b>	<b>36,905</b>	<b>38,233</b>

**5. Motor Vehicles**

Vehicles at Cost	55,177	55,177
Vehicles Acc Dep	(26,012)	(22,771)
<b>TOTAL</b>	<b>29,165</b>	<b>32,406</b>

**6. BUILDINGS IMPROVEMENTS-IN-PROGRESS**

Work-In-Progress Opening Balance	-	7,211
WIP Leasehold Improvement	3,571	-
Work-In-Progress Closing Balance	3,571	-
<b>TOTAL</b>	<b>3,571</b>	<b>0</b>

**7. CHARITY FUNDS**

	Opening Balance	Received This year	Expended This year	Closing Balance
	\$	\$	\$	\$
<b>Charity Ministries' Funds:</b>				
Tea Table Donations	5,199	-	-	5,199
Creative Connections	5,570	4,622	(3,059)	7,132
Grant Funding	9,834	3,000	(9,834)	3,000
Fire Appeal Donations	0	-	-	-
<b>TOTAL</b>	<b>20,603</b>	<b>7,622</b>	<b>(12,893)</b>	<b>15,331</b>

**8. OTHER CURRENT LIABILITIES**

Trade Creditors	16,886	3,802
Accrued Expenses	4,983	-
General Provision - Rep & Imp	-	7,000
Long Service Leave	-	-
<b>TOTAL</b>	<b>21,869</b>	<b>10,802</b>

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**DETAILED INCOME & EXPENDITURE STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>Income</b>		
<b>Income</b>		
Donations	226,458	72,056
<b>Total Income</b>	<b>226,458</b>	<b>72,056</b>
<b>Other Income</b>		
Interest Income	-	1,039
Interest Received	1,278	1
Other Income [49500]	8,827	29,795
Treasured Op Shop Sales	192,181	168,459
<b>Total Other Income</b>	<b>202,286</b>	<b>199,294</b>
<b>Total Income</b>	<b>428,744</b>	<b>271,349</b>
<b>Gross Surplus</b>	<b>428,744</b>	<b>271,349</b>
<b>Operating Expenses</b>		
<b>Community Care</b>		
Community Care [61014]	(3,761)	(5,039)
Community Services	(29)	
Hardship Assistance	(7,647)	(400)
<b>Total Community Care</b>	<b>(11,437)</b>	<b>(5,439)</b>
<b>Facility Expenses</b>		
Contractor Expenses	(4,609)	(1,259)
Leasehold Building Improvement	-	-
Rent	(46,000)	(16,500)
Repairs & Maintenance - Facility	6,980	(42)
Rubbish Removal	(1,763)	(2,399)
<b>Total Facility Expenses</b>	<b>(45,392)</b>	<b>(20,200)</b>
<b>Utility/Service Expenses</b>		
Cleaning Expenses	(2,227)	(2,508)
Electricity	(8,100)	(9,245)
Security Expenses	(458)	(458)
Telephone	(1,699)	(1,592)
<b>Total Utility/Service Expenses</b>	<b>(12,484)</b>	<b>(13,803)</b>
<b>Equipment Expenses</b>		
Minor Equipment	(717)	(575)
Repairs & Maintenance - Equipment	(707)	(2,144)
<b>Total Equipment Expenses</b>	<b>(1,424)</b>	<b>(2,719)</b>
<b>Vehicle Expenses</b>		
Vehicle Expenses	(21,443)	(9,099)
<b>Total Vehicle Expenses</b>	<b>(21,443)</b>	<b>(9,099)</b>
<b>Employment Expenses</b>		
LSL Expense	(1,403)	(780)
Salaries & Wages	(158,266)	(69,481)
<b>Total Employment Expenses</b>	<b>(159,669)</b>	<b>(70,261)</b>
<b>Finance &amp; Compliance Expenses</b>		
Audit Fees	(1,500)	(1,300)
Bad Debts	-	-
Bank Fees & Charges	(885)	(663)
Insurance Expense	(3,544)	(3,044)
<b>Total Finance &amp; Compliance Expenses</b>	<b>(5,929)</b>	<b>(5,008)</b>

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**DETAILED INCOME & EXPENDITURE STATEMENT (Cont'd)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
<b>Program Expenses</b>		
Legal Expenses	-	-
Memberships/Subscriptions	(541)	(689)
Photocopying [61040]	(1,570)	(1,669)
Resources / Materials	-	-
Stationery & Office Expenses	(905)	(1,057)
Sundry Expenses	(2)	(2,515)
Volunteer Appreciation Expense	(593)	(95)
<b>Total Program Expenses</b>	<b>(3,611)</b>	<b>(6,025)</b>
<b>Total Operating Expenses</b>	<b>(261,389)</b>	<b>(132,555)</b>
<b>EBITDA</b>	<b>167,355</b>	<b>138,795</b>
<b>Interest Tax Depreciation &amp; Amortisation</b>		
<b>Depreciation</b>		
- Plant & Equipment	(2,357)	(1,428)
- Furniture & Fittings	(79)	(99)
- Motor Vehicle	(3,241)	(3,601)
- Bldgs & Imprvmnts	(3,224)	(3,224)
<b>Total Depreciation</b>	<b>(8,901)</b>	<b>(8,352)</b>
<b>Total Interest Tax Depreciation &amp; Amortisation</b>	<b>(8,901)</b>	<b>(8,352)</b>
<b>Operating Surplus</b>	<b>158,454</b>	<b>130,443</b>
<b>Net Surplus</b>	<b>158,454</b>	<b>130,443</b>

**PATHWAY COMMUNITY CENTRE INCORPORATED**

**STATEMENT BY THE BOARD**

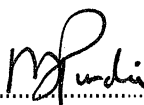
**FOR THE YEAR ENDED 31 DECEMBER 2021**


The management Board of Pathway Community Centre Incorporated (PCC) has determined that PCC is not a reporting entity. The Board has therefore determined that this Special Purpose Financial Report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

Further, the Board confirms that:

- (a) the accompanying Income & Expenditure Statement and Balance Sheet, and notes attached thereto, are drawn up so as to present fairly the results of PCC for the financial year ended 31 December 2021 and the financial state of PCC as at 31 December 2021 in accordance with the accounting policies stated in Note 1 to the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that PCC will be able to pay its debts as and when they fall due.

Signed this 27 day of April 2022, in accordance with a resolution of the PCC Board.

  
..... Chair, Board

  
..... Member, Board

## **PATHWAY COMMUNITY CENTRE INCORPORATED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT BOARD OF PATHWAY COMMUNITY CENTRE INCORPORATED**

We have audited the financial report of Pathway Community Centre Incorporated (PCC), which comprises the balance sheet as at 31 December 2021, income and expenditure statement and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the PCC Board statement.

In our opinion the financial report of PCC has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profit Commission Act 2012*, including:

- (a) giving a true and fair view of PCC's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profit 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 PCC in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the PCC Board's financial reporting responsibilities under 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.

#### **Responsibility of the PCC Board for the Financial Report**

The PCC Board is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the ACNC Act and the needs of the members. The PCC Board's responsibility also includes such internal control as the Board determines as necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the PCC Board is responsible for assessing PCC's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting.

The PCC Board is responsible for overseeing the PCC's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

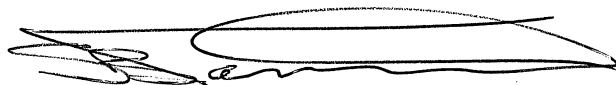
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PCC Board.
- Conclude on the appropriateness of the PCC Board'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 registered 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 registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PCC Board 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.

*Super Funds Accounting Pty Ltd*



*Stephen Tonkin BA(Acctg), FCPA, FTI MAICD*

*Dated*

*28/04/2022*

