

PATHWAY
Community Centre

PATHWAY COMMUNITY CENTRE INCORPORATED

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

PATHWAY COMMUNITY CENTRE INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS	PAGE NUMBERS
Report of the Board	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Cash Flows	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8
Detailed Income & Expenditure Statement	11
Statement by the Board	13
Independent Auditor's Review Report	14

PATHWAY COMMUNITY CENTRE INCORPORATED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2023


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 2023;

- (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 28 day of April 2024, in accordance with a resolution of the PCC Board.


..... Chair, PCC Board


..... Member, PCC Board

PATHWAY COMMUNITY CENTRE INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes/Reference	2023 \$	2022 \$
Income			
Income - donations & appeals	Page 11	148,833	126,910
Grants, Interest & miscellaneous	Page 11	48,683	109,541
Treasured Op Shop Sales	Page 11	187,614	214,871
Total Income		385,131	451,322
Gross Profit			
		385,131	451,322
Operating Expenses			
Community Care	Page 11	(3,489)	(4,770)
Facility Expenses	Page 11	(64,597)	(50,235)
Utility/Service Expenses	Page 11	(14,926)	(12,269)
Equipment Expenses	Page 11	(5,453)	(4,653)
Vehicle Expenses	Page 11	(14,363)	(17,602)
Employment Expenses	Page 11	(210,439)	(193,366)
Finance & Compliance Expenses	Page 11	(7,389)	(6,055)
Program Expenses	Page 12	(5,345)	(10,959)
Total Operating Expenses		(326,002)	(299,910)
EBITDA			
		59,129	151,413
Interest Tax Depreciation & Amortisation			
Depreciation	Page 12	(20,834)	(9,552)
Total Interest Tax Depreciation & Amortisation		(20,834)	(9,552)
Operating Surplus			
		38,294	141,861
Appeal Funds			
		0	0
Net Surplus			
		38,294	141,861

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

PATHWAY COMMUNITY CENTRE INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

ASSETS	Note	2023	2022
		<u>\$</u>	<u>\$</u>
CURRENT ASSETS			
Cash & Cash Equivalents	2	<u>130,098</u>	<u>534,912</u>
TOTAL CURRENT ASSETS		<u>130,098</u>	<u>534,912</u>
NON CURRENT ASSETS			
Buildings Improvements	3	114,864	59,580
Plant & Equipment	4	67,414	37,024
Motor Vehicles	5	82,197	26,249
Work in Progress	6	<u>341,490</u>	<u>65,595</u>
TOTAL NON CURRENT ASSETS		<u>605,965</u>	<u>188,447</u>
TOTAL ASSETS		<u>736,063</u>	<u>723,359</u>
LIABILITIES			
CURRENT LIABILITIES			
Charity Funds	7	9,550	9,224
Other Current Liabilities	8	<u>45,229</u>	<u>71,146</u>
TOTAL CURRENT LIABILITIES		<u>54,779</u>	<u>80,370</u>
TOTAL LIABILITIES		54,779	80,370
NET ASSETS		<u>681,284</u>	<u>642,988</u>
ACCUMULATED FUNDS			
Accumulated Surplus brought forward		642,988	501,129
Transfer from Income & Expenditure Account this year		<u>38,294</u>	<u>141,861</u>
TOTAL ACCUMULATED FUNDS		<u>681,284</u>	<u>642,988</u>

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

PATHWAY COMMUNITY CENTRE INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus from ordinary operations	38,294	141,861
Adjustments for non-cash items:		
Depreciation	20,834	9,552
Increase in Charity Funds	326	(6,108)
Decrease in Other Current Liabilities	<u>(25,917)</u>	<u>49,277</u>
<i>Net cash from operating activities</i>	<u>33,538</u>	<u>194,582</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on Church Building Work in Progress	(275,895)	(62,024)
Purchase and sale of Plant & Equipment	<u>(162,457)</u>	<u>(8,574)</u>
<i>Net cash used in investing activities</i>	<u>(438,352)</u>	<u>(70,598)</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	534,912	410,928
Net cash from operating activities - as above	33,538	194,582
Net cash used in investing activities - as above	(438,352)	(70,598)
Net cash from financing activities - as above	<u>0</u>	<u>0</u>
CASH AND CASH EQUIVALENTS AT YEAR END	<u>130,098</u>	<u>534,912</u>

PATHWAY COMMUNITY CENTRE INCORPORATED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$
RETAINED EARNINGS		
Accumulated Surplus		
Balance at start of Period	642,989	501,129
Surplus/(Deficit) for the Period	<u>38,294</u>	<u>141,861</u>
Balance at end of Period	<u>681,284</u>	<u>642,989</u>
Total Retained Earnings	<u>681,284</u>	<u>642,989</u>

PATHWAY COMMUNITY CENTRE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023

(g) Leases

Rent lease payments of \$56,004 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 2023

2. CASH & CASH EQUIVALENTS

	2023	2022
	\$	\$
Accrued revenue	-	3,081
BFS Notice of Withdrawal 17075	1,340	116,439
BFS Pathway Operating 17074	68,824	375,171
BFS Provisions 17076	1,520	16,336
Pathway NILS 19555	6,077	6,017
Petty Cash	443	443
Trade Debtors	9,999	-
Treasured Float	325	325
Debit Card Load & Go 0575	4	4
GST	41,566	17,096
TOTAL	<u>130,098</u>	<u>534,912</u>

3. BUILDINGS IMPROVEMENTS

Bldgs & Imprvmnts at Cost	136,572	70,285
Bldgs & Imprvmnts Acc Dep	(21,707)	(10,705)
TOTAL	<u>114,864</u>	<u>59,580</u>

4. PLANT & EQUIPMENT

Plant & Equipment at Cost	80,212	44,293
Plant & Equipment Acc Dep	(13,000)	(7,523)
Furniture & Fixtures at Cost	3,656	3,656
Furniture & Fixtures Acc Dep	(3,454)	(3,403)
TOTAL	<u>67,414</u>	<u>37,024</u>

5. Motor Vehicles

Vehicles at Cost	115,428	55,177
Vehicles Acc Dep	(33,231)	(28,928)
TOTAL	<u>82,197</u>	<u>26,249</u>

6. BUILDINGS IMPROVEMENTS-IN-PROGRESS

WIP - Leasehold Improvement	309,546	65,595
WIP - Furniture & Fixtures	8,181	-
WIP - Plant & Equipment	23,763	-
TOTAL	<u>341,490</u>	<u>65,595</u>

7. CHARITY FUNDS

	Opening Balance	Received This year	Expended This year	Closing Balance
	\$	\$	\$	\$
Charity Ministries' Funds:				
Tea Table Donations	5,199			5,199
Clovie Craft	3,518	4,354	(4,029)	3,844
Grant Funding	507			507
TOTAL	<u>9,224</u>	<u>4,354</u>	<u>(4,029)</u>	<u>9,550</u>

8. OTHER CURRENT LIABILITIES

Trade Creditors	45,229	60,540
Accrued Expenses	-	10,606
Long Service Leave	-	-
TOTAL	<u>45,229</u>	<u>71,146</u>

PATHWAY COMMUNITY CENTRE INCORPORATED
DETAILED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$
Income		
Income		
Donations & Appeals	148,833	126,910
Total Income	148,833	126,910
Grants, Interest & miscellaneous		
Hiring Income	491	-
Interest Received	5,144	1,968
Other Income [49500]	43,048	107,573
Total Grants, Interest & miscellaneous	48,683	109,541
Treasured Sales		
Treasured Op Shop Sales	187,614	214,871
Total Treasured Sales	187,614	214,871
Total Income	385,131	451,322
Gross Surplus	385,131	451,322
Operating Expenses		
Community Care		
Community Care [61014]	(2,009)	(4,770)
Community Services	(1,417)	-
Hardship Assistance	(63)	-
Total Community Care	(3,489)	(4,770)
Facility Expenses		
Contractor Expenses	(3,866)	(1,633)
Rent	(56,004)	(46,000)
Repairs & Maintenance - Facility	(1,262)	(409)
Rubbish Removal	(3,465)	(2,193)
Total Facility Expenses	(64,597)	(50,235)
Utility/Service Expenses		
Cleaning Expenses	(52)	-
Electricity	(11,923)	(10,308)
Security Expenses	(1,145)	(458)
Telephone	(1,806)	(1,503)
Total Utility/Service Expenses	(14,926)	(12,269)
Equipment Expenses		
Minor Equipment	(2,996)	(3,365)
Repairs & Maintenance - Equipment	(2,457)	(1,289)
Total Equipment Expenses	(5,453)	(4,653)
Vehicle Expenses		
Vehicle Expenses	(14,363)	(17,602)
Total Vehicle Expenses	(14,363)	(17,602)
Employment Expenses		
General Prov/Team Retreat	-	(442)
Staff Training	(327)	-
LSL Expense	(571)	(5,166)
Salaries & Wages	(209,541)	(187,759)
Total Employment Expenses	(210,439)	(193,366)
Finance & Compliance Expenses		
Audit Fees	(1,500)	(1,500)
Bank Fees & Charges	(1,291)	(1,182)
Insurance Expense	(4,598)	(3,373)
Total Finance & Compliance Expenses	(7,389)	(6,055)

PATHWAY COMMUNITY CENTRE INCORPORATED

DETAILED INCOME & EXPENDITURE STATEMENT (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$
Program Expenses		
Legal Expenses	-	-
Memberships/Subscriptions	(1,493)	(732)
Photocopying [61040]	-	(44)
Stationery & Office Expenses	(3,587)	(4,597)
Volunteer Appreciation Expense	(265)	(5,586)
Total Program Expenses	(5,345)	(10,959)
Total Operating Expenses	(326,002)	(299,910)
EBITDA	59,129	151,413
Interest Tax Depreciation & Amortisation		
Depreciation		
- Plant & Equipment	(5,478)	(2,589)
- Furniture & Fittings	(51)	(63)
- Motor Vehicle	(4,303)	(2,917)
- Bldgs & Imprvmnts	(11,003)	(3,983)
Total Depreciation	(20,834)	(9,552)
Total Interest Tax Depreciation & Amortisation	(20,834)	(9,552)
Operating Surplus	38,294	141,861
Net Surplus	38,294	141,861

PATHWAY COMMUNITY CENTRE INCORPORATED

STATEMENT BY THE BOARD


FOR THE YEAR ENDED 31 DECEMBER 2023


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 2023 and the financial state of PCC as at 31 December 2023 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 28 day of April 2024, in accordance with a resolution of the PCC Board.


..... Chair, Board


..... Member, Board

PATHWAY COMMUNITY CENTRE INCORPORATED

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pathway Community Centre Incorporated

Report on the Financial Report

We have reviewed the accompanying financial report of Pathway Community Centre Incorporated, PCC, which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the PCC Board's declaration.

PCC Board's Responsibility for the Financial Report

The PCC Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and for such internal control as the PCC Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 31 December 2023 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulations 2022 (ACNC Regulations). ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirement of the ACNC Act. We confirm that the independence declaration required by the ACNC Act, which has been given to the PCC Board, would be in the same terms if given to the PCC Board as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of PCC does not satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

PATHWAY COMMUNITY CENTRE INCORPORATED

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pathway Community Centre Incorporated

Report on the Financial Report (Cont'd)

(a) giving a true and fair view of PCC's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

Super Funds Accounting Pty Ltd



Stephen Tonkin BA(Acctg), FCPA, FTI MAICD

Dated 29th April 2024

**Super Funds Accounting Pty Ltd
Telephone 08 83954889
1287 North East Road,
TEA TREE GULLY SA 5091**