

LIVING WORD WORSHIP CENTRE

INCORPORATED

A.B.N. 81 161 304 280

AUDITED FINANCIAL STATEMENTS

For

2008/09 FINANCIAL YEAR

KNOWING CHRIST AND MAKING HIM KNOWN

&

MAKING DISCIPLES OF ALL NATIONS

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Michael L. Ntuli & Co. B. Bus CPA
CERTIFIED PRACTISING ACCOUNTANTS

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INDEPENDENT AUDIT REPORT

To the Board of
Living Word Worship Centre

SCOPE OF AUDIT

We have audited the attached financial report, being a special purpose financial report comprising the Board's Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and notes to the Financial Statements, for the year ended 30 June, 2009 of LIVING WORD WORSHIP CENTRE

The CHURCH's Board is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the CHURCH's constitution and are appropriate to meet the needs of the members.

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the CHURCH. No opinion is expressed as to whether the accounting policies used, and described in Note 1 are appropriate to the need of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting requirements under the Association Incorporation Act (NSW). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examinations, on a test basis, of evidence supporting the amounts and other disclosures in the financial statement, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the CHURCH's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements to the extent described in Note 1.

The audit opinion expressed in this report has been formed on the above basis.

Michael L. Ntuli & Co. B. Bus CPA
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INDEPENDENT AUDIT REPORT (CONT'D)

Audit Opinion

In our opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of LIVING WORD WORSHIP CENTRE as at 30 June, 2009 and the results of its operations for the year then ended.



Michael L. Ntuli B. Bus CPA
Certified Practising Accountant
Registered Tax Agent
PRINCIPAL

Dated: 30 October, 2009

LIVING WORD WORSHIP CENTRE

A.B.N. 81 161 304 280

BOARD MEMBERS' REPORT

Your Board members present the financial accounts of LIVING WORD WORSHIP CENTRE INCORPORATED for the financial year ended 30 June, 2009.

Board Members

The names of the Board in office at any time during or since the end of the year are:

- Senior Pastor Samuel Abalo;
- Pastor Emmanuel Kwaku Adjei;
- Francis Asare;
- Elder Joseph Ofori;
- Charles Kwamina Wallace;
- John Duah;
- Dela Dokli;
- Mary Amavor;
- Seth Odame;
- Elizabeth Appiah;
- Silvia Morris; and
- George Asare.

The Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The profit of the CHURCH for the financial year after providing for income tax amounted:

Year Ended
30 June, 2009
\$24,240

Principal Activities

The principal activities of the CHURCH during the course of the year were to know Christ and make Him known; and making disciples of all nations. No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the CHURCH's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

The CHURCH expects to maintain the present status and level of operations to ensure harmony and stabilisation. A task force has been set up to review the constitution of the CHURCH and this is not likely to have any impact on the operations of the CHURCH in the immediate future.

A new property was acquired during the year and it is intended to be used for administration and other ministerial activities. The new property has provided the Church with the needed space to expand the seating capacity of the Church building.

The refurbishment of the two properties will have a significant impact on the operations of the Church and the total operation cost will have to be reduced drastically to ensure the successful completion of the refurbishment projects.

Environmental Issues

The CHURCH's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The CHURCH is a non profit organisation and is not allowed to declare and distribute dividends to members.

Board Members Benefits

No Board member has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the CHURCH or related body corporate with a member, a firm which a Board member is a director or an entity in which a Board member has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the CHURCH.

Proceedings on Behalf of CHURCH

No person has applied for leave of Court to bring proceedings on behalf of the CHURCH or intervene in any proceedings to which the CHURCH is a party for the purpose of taking responsibility on behalf of the CHURCH for all or any part of those proceedings. The CHURCH was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board:

Charles Kwamina Wallace



Treasurer

Dated: 30/10/09

LIVING WORD WORSHIP CENTRE

A.B.N. 81 161 304 280

BOARD MEMBERS DECLARATION

For the year ended 30 June, 2009

In our opinion –

- (a) the accompanying financial report as set out on pages 8 to 11, being a special purpose financial statement, is drawn up so as to present fairly the state of affairs of the CHURCH as at 30 June 2009 and the results of the CHURCH for the year ended on that date;
- (b) the accounts of the CHURCH have been properly prepared and are in accordance with the accounting policies prescribed in Note 1 to the financial statements; and
- (c) there are reasonable grounds to believe that the CHURCH will be able to pay its debts as and when they fall due.

We confirm as follows:

(a) The names of each Board member of the CHURCH during the relevant financial year were:

- Pastor Samuel Abalo;
- Pastor Emmanuel Kwaku Adjei;
- Francis Asare;
- Elder Joseph Ofori;
- Charles Kwamina Wallace;
- John Duah;
- Dela Dokli;
- Mary Amavor;
- Seth Odame;
- Elizabeth Appiah;
- Silvia Morris; and
- George Asare.

(b) The principal activities of the CHURCH during the relevant financial were:

To know Christ and making Him known; and making disciples of all nations

(c) The net profit of the CHURCH for the relevant financial year was: \$24,240

This declaration is made in accordance with a resolution of the Board of the CHURCH.

Signed at MERRY LAWS on 30 / 11 / 09


Charles Kwamina Wallace

Treasurer

LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

PROFIT AND LOSS STATEMENT

For the year ended 30 June, 2009

	Notes	2009	2008
		\$	\$
INCOME		277,268	221,443
TOTAL INCOME		277,268	221,443
EXPENSES			
Audit Fee		500	460
Bank Charges		606	530
Church Operating Expenses		22,214	7,259
Cleaning Expenses		4,290	2,289
Council Rate		928	557
Depreciation Expenses		40,096	32,052
Subscriptions and Membership Dues		-	4,066
Electricity		3,430	1,548
Interest Expense		47,072	22,847
Insurance		4,796	3,350
Love Offerings/Missions		15,165	6,606
Maintenance		1,506	1,233
Other Expenses - Ministries		-	5,569
Stationery & Printing		3,467	6,533
Strata Mgt Fees		13,351	12,600
Telephone		3,482	3,539
Training & Educ. Materials		1,563	4,490
Travel & Entertainment		2,763	5,001
Salaries, Stipends & Benefits		86,872	82,089
Water		927	408
Total Expenses		253,028	203,206
Profit from Ordinary Activities before Income Tax		24,240	18,417

The accompanying notes form part of the financial report.
This report is to be read in conjunction with the attached audit report

LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

PROFIT AND LOSS STATEMENT

For the year ended 30 June, 2009

	Notes	2009 \$	2008 \$
Profit from Ordinary Activities before Income Tax		24,240	18,417
Income Tax Revenue Relating to Ordinary Activities		-	-
Net Profit Attributable to Members of the CHURCH		24,240	18,417
Total Changes in Equity Other than those Resulting from Transactions with Branches		24,240	18,417
Opening Retained Profits			
Net Profit Attributable to Members		216,077	197,660
Closing Retained Profits		240,317	216,077

The accompanying notes form part of the financial report.
This report is to be read in conjunction with the attached audit report

LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

BALANCE SHEET

AS AT 30 June, 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash Assets	2	70,296	16,682
Total Current Assets		<u>70,296</u>	<u>16,682</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	3	839,065	418,424
Total Non Current Assets		<u>839,065</u>	<u>418,424</u>
TOTAL ASSETS		<u>909,361</u>	<u>435,106</u>
CURRENT LIABILITIES			
Non Interest-Bearing Liabilities	4	-	-
NON CURRENT LIABILITIES		669,044	219,029
Interest-Bearing Liabilities	5	<u>669,044</u>	<u>219,029</u>
Total Non Current Liabilities			
Total Liabilities		669,044	219,030
NET ASSETS		<u>240,317</u>	<u>216,077</u>
EQUITY			
Retained Earnings	6	216,077	197,660
Surplus for the year		24,240	18,417
Total Equity		<u>240,317</u>	<u>216,077</u>

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LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 June, 2009

	Notes	2009	2008
		\$	\$
Cash Flows From Operating Activities			
Receipts from Customers		277,268	221,443
Interest Payments		(47,072)	(22,847)
Payments to Customers		(165,860)	(148,541)
Net Cash Provided by (used in) Operating Activities		64,336	50,055
Cash Flows From Investing Activities			
Purchases from Property Plant & Equipment		(460,736)	(19,947)
Net Cash Provided by (used in) Investing Activities		(460,736)	(19,947)
Cash Flows From Financing Activities			
Borrowings for Capital Expenditure		450,014	(19,302)
Net Cash Provided by (used in) Financing Activities		450,014	(19,302)
Net Increase in Cash Held		53,614	10,806
Cash at Beginning of Financial Year		16,682	5,876
Cash at End of Financial Year	2	70,216	16,682

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LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. SUMMARY OF ACCOUNTING POLICIES

The accounting policies adopted by the CHURCH are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied except as otherwise indicated.

Reporting entity

The CHURCH is not a reporting entity because in the Board's opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs, and these accounts are therefore "special purpose accounts" that have been prepared solely to meet the requirements of the members of the CHURCH and the Association Incorporation Act (NSW).

Accounting policies

The financial report has been prepared on cash basis and is based on the historical cost conventions and does not take into account changing money values except to the extent that they are reflected in the revaluation of certain assets.

In order for the financial report to present fairly the state of affairs of the CHURCH and the results of the CHURCH for the year ended June 2009, this financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards, including Australian equivalents to International Reporting Standards:

AASB1031 Materiality

AASB110 Events occurring after reporting date

(a) Revenue

The Church reports revenue on cash basis whereby revenue is recognised when tithes, offerings, gifts and funds raisings are received. The increase in revenue for the year was mainly due to tithes and offerings. Tithes & offerings contributed 82% (2008: 79%) of the total revenue. Building Fund contributions and Canteen Services amounted to 6% and 5% respectively.

(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.

The carrying amount of Property, Plant and Equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from the assets.

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LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

(c) Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their estimated useful lives using the straight line method as follows:

Plant and Equipment	20%
Furniture and Fittings	20%
Buildings	2.5%
Motor Vehicle	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(d) Loans and Receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(f) Income Tax

The church is a non profit making organisation and is exempt from income tax..

(g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition. The main revenue source of the CHURCH is GST free and during the year the church recognised prior years GST received as other income.

(h) Leased Assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lease. All other leases are classified as operating leases.

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LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

	2009	2009
	\$	\$
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Note 2: Current Assets – Cash		
Bank Account:		
Prime Access Account CUA	41	41
Business Cheque Account NAB	66,649	16,302
Loan Account CBA	1,434	
	2,176	339
Other Cash Item:		
Petty Cash	70,296	16,682
	<hr/>	<hr/>

Note 3:

Property, Plant & Equipment

Building – 1&7/2 Gladstone St, Merrylands		
- At Cost	890,094	480,925
- Less:		
- Accumulated Depreciation	(100,346)	(83,209)
	<hr/>	<hr/>
	789,748	397,716
	<hr/>	<hr/>

The accompanying notes form part of the financial report.
This report is to be read in conjunction with the attached audit report

- Note 3 Cont':

Property, Plant & Equipment

Equipment		
At Cost	108,834	102,679
Less:		
Accumulated Depreciation	<u>(103,910)</u>	<u>(95,702)</u>
	<u>4,924</u>	<u>6,977</u>
Furniture and Fittings:		
At Cost	56,718	56,718
Less:		
Accumulated Depreciation	<u>(54,330)</u>	<u>(42,987)</u>
	<u>2,388</u>	<u>13,731</u>

Note 4: Current Liabilities:

Interest – Bearing Liabilities

- Unsecured:		
- Non Interest Bearing Liabilities	-	-

Note 5: Non Current Liabilities

- Secured:		
Interest-Bearing Liabilities	669,045	219,028

Note 6: Equity

Current Year Earnings	24,240	18,417
Accumulated Fund	216,077	197,660
Equity	<u>240,317</u>	<u>216,077</u>

The CHURCH is a non profit making organisation and there are no shares for members. On winding up the proceeds shall be given to another non profit making organisation.

At general meetings each congregation member is entitled to one vote when a poll is called, otherwise each member has one vote on a show of hands.

The accompanying notes form part of the financial report.
This report is to be read in conjunction with the attached audit report