

**LIVING WORD WORSHIP CENTRE
INCORPORATED**

A.B.N. 81 161 304 280

AUDITED FINANCIAL STATEMENTS

For

2010/11 FINANCIAL YEAR

KNOWING CHRIST AND MAKING HIM KNOWN

&

MAKING DISCIPLES OF ALL NATIONS

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To the members of Living Word Worship Centre

Report on the financial report

We have audited the accompanying financial report of Living Word Worship Centre, which comprises the statement of financial position, the statement of financial performance, statement of changes in equity, and statement of cash flow statement for the year as at 30 June 2011, notes comprising a summary of significant accounting policies and other explanatory information.

The Board Members are responsible for the financial report

Board member of the Church are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Notes to the financial report is appropriate to meet the requirements of the constitution and the needs of the members. The Board Members responsibility also includes such internal control as Board Members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian auditing standards. Those auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that presents fairly [gives a true and fair view] in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Board Members as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Electronic publication of the audited financial report¹

It is our understanding that the Living Word Worship Centre intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Living Word Worship Centre website is that of those charged with governance the Church. The security and controls over information on the website should be addressed by the Church to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report(s) on the Living Word Worship Centre website is beyond the scope of the audit of the financial report.



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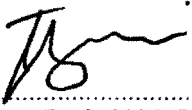
Manhya Investments Pty Ltd
Registered Office: 2 Falkirk Court Kellyville NSW 2155
Sole Director: Thomas Brefs MBA, CPA

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Opinion

In our opinion, the financial report of Living Word Worship Centre presents fairly, in all material respects, gives a true and fair view of the Church financial position as at 30 June 2011, and of its financial performance and its cash flows for the year then ended on that date and complies with Australian accounting standards to the extent described in Notes.



Thomas Brefo MBA CPA
Director

Dated: 31 December 2011

PO Box 123 Castle Hill NSW 2154



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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, 2011.

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

With the exception of the interim Board members*, the rest of the members did not serve the full year due to the constitutional crisis.

Operating Results

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

Year Ended
30 June, 2011
\$3,661

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

The interim Board, which was formed in November 2009 to manage the affairs of the CHURCH was dissolved upon the advice of the Assemblies of God (AOG). The original Board was

reinstated to manage the affairs of the CHURCH. The Board crisis unsettled the CHURCH and somehow might have led to a significant fall in revenue 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. Though the current constitution is under review, it is expected that there will be a seamless transition between the current one and any new constitution that will be adopted and promulgated.

The CHURCH secured a loan to refurbish unit 1 and unit 7 properties. The refurbishment of unit 7 was completed in November 2011. The refurbishment of unit 1 will start early next year and the CHURCH will need to raise extra funds internally to complete the refurbishment of unit 1 as part of the budgeted amount went into the refurbishment of unit 7.

Considering the present economic situation, management will need to reduce cost and improve the revenue flow to ensure the successful completion of the refurbishment of unit 1.

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.

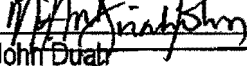
Indemnifying Officer or Auditor

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 the 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:



John Duat

Board Member

Dated: 31/12/11

LIVING WORD WORSHIP CENTRE

A.B.N. 81 161 304 280

BOARD MEMBERS DECLARATION

For the year ended 30 June, 2011

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 2011 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 Board members of the CHURCH during the relevant financial year were:

- Pastor Samuel Abalo;
- Elder Joseph Ofori;
- Elder Daniel Appiah;
- John Duah;
- Mary Amavor;
- Pastor Emmanuel Kwaku Adjei;
- Francis Asare;
- Charles Kwamina Wallace;
- Dela Dokli;
- 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: \$3,661

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

Signed at John Duah on 31 12/11

John Duah
Board Member

LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June, 2011

	Notes	2011	2010
		\$	\$
INCOME		265,822	304,002
TOTAL INCOME		265,822	304,002
EXPENSES			
Audit Fee		550	550
Bad Debt		-	3,000
Bank Charges		1,486	1,777
CHURCH Operating Expenses		10,828	15,664
Cleaning Expenses		4,593	3,951
Council Rate		1,774	1,146
Depreciation Expenses		37,070	36,356
Subscriptions and Membership Dues		7,163	4,758
Electricity		5,194	4,084
Interest Expense		51,587	49,522
Insurance		5,622	5,850
Love Offerings/Missions		20,003	12,751
Maintenance		3,674	3,462
Other Expenses - Ministries		7,611	9,753
Stationery & Printing		2,454	1,979
Strata Mgt Fees		24,391	19,194
Telephone		3,743	2,354
Training & Educ. Materials		2,470	5,900
Travel & Entertainment		3,107	563
Salaries, Stipends & Benefits		67,288	96,337
Water		1,553	1,318
Total Expenses		262,161	280,269
Profit from Ordinary Activities before Income Tax		3,661	23,733

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2011

	Notes	2011	2010
		\$	\$
Profit from Ordinary Activities before Income Tax		3,661	23,733
Income Tax Revenue Relating to Ordinary Activities		-	-
Net Profit Attributable to Members of the CHURCH		3,661	23,733
Total Changes in Equity Other than those Resulting from Transactions with Branches		3,661	23,733
Opening Retained Profits			
Net Profit Attributable to Members		264,050	240,317
Closing Retained Profits		267,711	264,050

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 June, 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash Assets	2	69,005	14,274
Total Current Assets		<u>69,005</u>	<u>14,274</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	3	951,737	911,358
Total Non Current Assets		<u>951,737</u>	<u>911,358</u>
TOTAL ASSETS		<u>1,020,742</u>	<u>925,632</u>
CURRENT LIABILITIES			
Interest-Bearing Liabilities	4	11,981	8,016
		<u>11,981</u>	<u>8,016</u>
NON CURRENT LIABILITIES			
Interest-Bearing Liabilities	5	741,050	653,566
Total Non Current Liabilities		<u>741,050</u>	<u>653,566</u>
Total Liabilities		753,031	661,582
NET ASSETS		<u>267,711</u>	<u>264,050</u>
EQUITY			
Retained Earnings	6	264,050	240,317
Surplus for the year		3,661	23,733
Total Equity		<u>267,711</u>	<u>264,050</u>

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LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 June, 2011

	Notes	2011 \$	2010 \$
Cash Flows From Operating Activities			
Receipts from Customers		265,822	304,002
Interest Payments		(51,587)	(49,522)
Payments to Customers		(173,504)	(194,391)
Net Cash Provided by (used in) Operating Activities		40,731	60,089
Cash Flows From Investing Activities			
Payments for Property Plant & Equipment		(77,451)	(108,647)
Net Cash Provided by (used in) Investing Activities		(77,451)	(108,647)
Cash Flows From Financing Activities			
Proceeds from Borrowings		100,000	
Repayment of Interest Bearing Loan - MV		(8,549)	(7,464)
Net Cash Provided by (used in) Financing Activities		91,451	(7,464)
Net Increase in Cash Held		54,731	(56,022)
Cash at Beginning of Financial Year		14,274	70,296
Cash at End of Financial Year	2	69,005	14,274

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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 2011

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. Amounts are shown in Australian dollars, rounded to the nearest dollar, except where the disclosure of the whole amount to the cents is appropriate.

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 2011, this financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards, including Australian equivalents to International Reporting Standards: Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

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 decrease in revenue for the year was mainly due to the decline in tithes and offerings resulting from the uncertainties in the CHURCH. Tithes & offerings contributed 90% (2010: 83%) of the total revenue. Canteen Services amounted to 4.5% and the rest of the revenue resulted from missions, love offerings and miscellaneous income.

(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.

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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.

(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.

LIVING WORD WORSHIP CENTRE INCORPORATED

A.B.N. 81 161 304 280

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

	2011 \$	2010 \$
Note 2: Current Assets – Cash		
Bank Account:		
Prime Access Account CUA	41	41
Business Cheque Account NAB	9,519	11,760
Loan Account CBA	58,391	1,189
Other Cash Item:		
Petty Cash	1,054	1,284
	<u>69,005</u>	<u>14,274</u>

Note 3:

Property, Plant & Equipment

Building – 1 ⁸⁷ / ₂ Gladstone St, Merrylands		
- At Cost	1,064,065	993,270
- Less:		
- Accumulated Depreciation	(151,780)	(125,179)
	<u>912,285</u>	<u>868,091</u>

Note 3 Cont':

Property, Plant & Equipment

Equipment		
At Cost	120,962	114,306
Less:		
Accumulated Depreciation	(109,892)	(106,235)
	<u>11,070</u>	<u>8,071</u>

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Motor Vehicle – CHURCH Bus:		
At Cost	45,412	45,412
Less:		
Accumulated Depreciation	(17,029)	(10,218)
	<u>28,383</u>	<u>35,194</u>

Furniture and Fittings:		
At Cost	56,718	56,718
Less:		
Accumulated Depreciation	(56,718)	(56,718)
	<u>-</u>	<u>-</u>

Note 4: Current Liabilities:

Interest – Bearing Liabilities

- Secured:		
- Interest Bearing Liabilities – Motor Vehicle	8,610	8,016
- Interest Bearing Liabilities – Refurbishment	3,371	-
	<u>11,981</u>	<u>8,016</u>

Note 5: Non Current Liabilities

Secured:		
- Interest-Bearing Liabilities - Mortgage	630,000	630,000
- Interest-Bearing Liabilities - Motor Vehicle	14,956	23,566
-Interest Bearing Liabilities - Refurbishment	96,956	-
	<u>741,052</u>	<u>653,566</u>

Note 6: Equity

Current Year Earnings	3,661	23,733
Accumulated Fund	264,050	240,317
Equity	<u>267,711</u>	<u>264,050</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.
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