

Bruce Frost
Frost Crane & Co
P O Box 2605,
Carlingford. 2118

Dear Sir,

Management Representation Letter
Year ending 31 December, 2019

This representation letter is provided in connection with your audit of the financial report of Katoomba Christian Convention Ltd for the year ended 31 December 2019 for the purpose of expressing an opinion as to whether the financial report is in all material respects, fairly stated in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

We acknowledge our responsibility for ensuring that the financial report is in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have made available to you:
 - a. all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit
 - b. minutes of all meetings of directors.
2. There:
 - a. has been no fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control
 - b. has been no fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report
 - c. have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of such items is attached.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

6. We have considered the requirements of AASB 136 Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.

7. The following have been properly recorded and/or disclosed in the financial report:

- a. related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral)
- b. share options, warrants, conversions or other requirements
- c. arrangements involving restrictions on cash balances, compensating balances and line-of credit or similar arrangements
- d. agreements to repurchase assets previously sold
- e. material liabilities or contingent liabilities or assets including those arising under derivative financial instruments
- f. unasserted claims or assessments that our lawyer has advised us are probable of assertion
- g. losses arising from the fulfillment of, or an inability to fulfill, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

8. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.

9. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the Financial Statements. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.

10. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

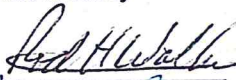
11. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

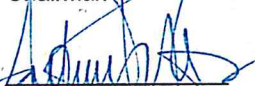
12. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.

13. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully


Chairman


Executive Officer

Date: 10.03.20

SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

NIL

Katoomba Christian Convention
Suite 3, Level 1
28 Burwood Road
Burwood NSW 2134

To the Board of Katoomba Christian Convention

Management Representation Letter to Board
Year ending 31 December, 2019

This representation letter is provided in connection with the audit of the financial report of Katoomba Christian Convention Ltd for the year ended 31 December 2019. It is for the purpose of expressing an opinion as to whether the financial report is in all material respects, fairly stated in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

Katoomba Christian Convention management acknowledges our responsibility for ensuring that the financial report is in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to both the Board and the Auditor:

1. We have made available to both parties:
 - a. all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit
 - b. minutes of all meetings of directors.
2. There:
 - a. has been no fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control
 - b. has been no fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report
 - c. have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of such items is attached.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. We have considered the requirements of AASB 136 Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
7. The following have been properly recorded and/or disclosed in the financial report:
 - a. related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral)
 - b. share options, warrants, conversions or other requirements

- c. arrangements involving restrictions on cash balances, compensating balances and line-of credit or similar arrangements
- d. agreements to repurchase assets previously sold
- e. material liabilities or contingent liabilities or assets including those arising under derivative financial instruments
- f. unasserted claims or assessments that legal opinion has advised us are probable of assertion
- g. losses arising from the fulfillment of, or an inability to fulfill, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

8. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.

9. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the Financial Statements. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.

10. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.


11. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

12. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.

13. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

We understand that the Audit examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that the audit tests of the financial records and other auditing procedures were limited to those which the auditor considered necessary for that purpose.

Yours faithfully



KCC Executive Director
Date: 30.03.20

SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

NIL

Katoomba Christian Convention Limited
ABN 86 000 153 560

Financial Report for Year Ended
31st December 2019

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Katoomba Christian Convention Limited
ABN 86 000 153 560

**Statement of Profit or Loss and Other
Comprehensive Income**

For the year ended 31st December 2019

	Note	2019	2018 \$
Income			
Annual conventions		1,661,904	1,879,098
Accommodation		1,591,001	1,458,313
Unrestricted donations		411,724	510,516
Restricted donations for internal purposes		306,000	336,032
Restricted donations for third parties		0	32,639
Resource sales		118,987	86,151
Volunteer Contribution		1,111,580	0
Interest / Franking Credits		40,994	10,375
Total income		5,242,189	4,313,123
Expenses			
Annual conventions		2,418,776	2,716,902
Accommodation		1,490,053	1,633,986
Donations		44,460	32,639
Volunteer Efforts		1,111,580	0
Interest		10,086	16,209
Total expenses	3	5,074,954	4,399,736
Surplus/(loss) for year		167,235	(86,613)
Other Comprehensive Income/Expense			
Revaluation of Property	4, 8	0	1,013,000
Write-off development costs / Oval Deposit	1, 4	0	(779,184)
Oval Deposit - Donation	6	995,772	0
Total comprehensive income/loss for the year		1,163,007	147,203

Statement of Change in Equity

For the year ended 31st December 2019

Opening retained equity		7,736,508	7,589,320
Surplus/(loss) for year		1,163,007	147,203
Funds expended from reserve		0	0
Closing retained equity	7	8,899,515	7,736,523

The accompanying notes form
part of these accounts

Katoomba Christian Convention Limited
ABN 86 000 153 560

Statement of Financial Position As at 31st December 2019	Note	2019	2018 \$
Assets			
Current			
Cash and cash equivalents		1,591,963	1,183,192
Sundry debtors		192,321	49,683
Prepayments		212,092	177,241
Current Assets		<u>1,996,375</u>	<u>1,410,115</u>
Non current			
Property, plant and equipment	4, 8	8,687,285	8,443,077
Non Current Assets		<u>8,687,285</u>	<u>8,443,077</u>
Total Assets		<u>10,683,660</u>	<u>9,853,192</u>
Liabilities			
Current			
Accounts Payable		150,327	17,437
Fees in advance		799,291	476,923
Sundry creditors and accruals		209,219	89,839
Loan at call, unsecured		40,000	39,996
Employee benefit provisions		82,660	76,971
Right to Use obligations	9	59,439	0
Restricted Donation Obligations	6	18,723	1,045,503
Current Liabilities		<u>1,359,659</u>	<u>1,746,670</u>
Non current			
Housing Loan	5	370,000	370,000
Right to Use obligations	9	54,486	0
Non current liabilities		<u>424,486</u>	<u>370,000</u>
Total Liabilities		<u>1,784,145</u>	<u>2,116,670</u>
Net Assets		<u>8,899,515</u>	<u>7,736,523</u>
Retained Equity	7	<u>8,899,515</u>	<u>7,736,523</u>

The accompanying notes form
part of these accounts

Katoomba Christian Convention Limited
ABN 86 000 153 560

Statement of Cash Flow	2019	2018
For the year ended 31st December 2019	\$	\$
Cash flow from operating activities		
Cash receipts from customers	4,415,059	4,828,776
Cash paid to suppliers and employees	(3,712,767)	(4,457,428)
Interest paid	(10,086)	(16,209)
Loan increase/(decrease)	0	0
Net cash from operating activities	<u>692,206</u>	<u>355,139</u>
 Cash flow from investing activities		
Interest received	8,860	10,375
Proceeds from sale of property, plant, and equipment	0	0
Payments for property, plant, and equipment	(292,296)	(301,774)
Net Cash used in investing activities	<u>(283,436)</u>	<u>(291,399)</u>
 Cash and cash equivalents at beginning of year	1,183,192	1,119,452
Net increase/(decrease) in cash held	408,770	63,740
Cash and cash equivalents at end of year	<u>1,591,962</u>	<u>1,183,192</u>

The accompanying notes form
part of these accounts

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

Note 1: Statement of Significant Accounting Policies
Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not for Profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the *Australian Accounting Standards Board and Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted by the Company in the preparation of the financial reports are presented below and have been consistently applied unless otherwise stated.

The financial report of the Company complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The company has adopted AASB 16 for the first time this year. This Accounting Standard requires the capitalisation of operating leases and the amortisation of amounts capitalised over the periods of the leases.

The impact of the adoption of AASB 16 has been detailed in Note 9.

The company has also adopted AASB 1058 for the first time this year. This Accounting Standard requires the recognition of volunteer services as revenue of the Company and their efforts as an expense for the year. There is no impact on net operating profit from the adoption of this accounting standard.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The company is exempt from income tax pursuant to section 50-10 of the *Income Tax Assessment Act*

(b) Property, Plant and Equipment

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

Property

Freehold land is shown at Unimproved Capital Value as valued by the Valuer General. Buildings are shown at cost less depreciation.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Katoomba Christian Convention Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Non Current Asset</i>	<i>Depreciation Rate</i>
Buildings	5.0%
Furniture and fittings	10.0% - 15.0%
Plant and equipment	10.0% - 30.0%
Motor vehicles	15.0%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the net present value of the

Contributions are made by the Company to employee's superannuation funds and are charged as expenses when incurred.

(d) 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 netted off against current assets.

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

(e) Revenue

Revenue from the sale of goods and the provision of services are recognised upon the delivery of goods or services to customers.

Donations and bequests are recognised when received except for specific purpose donations which are recognised as income when expended.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation 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 statement of financial position are shown inclusive of GST.

(g) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

When future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset. The directors have reviewed costs incurred relating to Development Applications. They are of the opinion that the future value of these costs is \$nil and they should be written off, and an amount of \$779,184.33, has been expensed to Other Comprehensive

(h) Comparative Figures

Where necessary and in accordance with the Accounting Standards, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

(j) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as 'at fair value through profit and loss' in which case transaction costs are expensed to profit and

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised

Katoomba Christian Convention Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value.

(l) Contributions

The company may receive non-reciprocal contributions from other parties for no or nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

(m) Economic Dependence

The company is dependent on being able to access its land and building in Katoomba in order to run its

(n) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a

Note 2: Member guarantee

The company is limited by guarantee and the maximum joint liability of the members does not exceed fifty

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, the payments of the debts and liabilities of the company costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amounts as

This liability continues while he/she is a member and for one year afterwards for the payment of debts and liabilities of the company contracted for before he/she ceases to be a member.

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

	2019	2018
	\$	\$
Note 3 Expenses		
Employee benefits	1,680,031	1,656,920
Depreciation	162,012	173,335
Resource materials	53,021	47,308
Marketing	57,351	145,824
Auditor - audit services	13,642	12,683
Auditor - other services	0	0
Other expenses	2,296,867	2,363,666
Total expenses	<u>4,262,924</u>	<u>4,399,736</u>

Note 4 Freehold land

DP 222736 Lot 5 - 14-30 Violet St, Katoomba	918,000	918,000
DP 2060 Section S2 Lot 4 - 34 Violet St, Katoomba	332,000	332,000
DP 406995 Lot 3 - 10 Laurel St, Katoomba	350,000	350,000
DP 659458 Lot 10 - 19 Cliff St, Katoomba	388,000	388,000
DP 1121828 Lot 1 - Clairvaux, L1 Oak St, Katoomba	4,780,000	4,780,000
	<u>6,768,000</u>	<u>6,768,000</u>
DP 2060 Lot 9 - 169 Cliff Drive - at cost	200,000	200,000
Property Development - at cost	0	0
Total freehold land	<u>6,968,000</u>	<u>6,968,000</u>

Freehold property has been recorded at Unimproved Capital Value as valued by the Valuer General, except for 169 Cliff Drive and Property Development costs which are recorded at recoverable cost.

Note 5 Bank loan

Bank loan	370,000	370,000
	<u>370,000</u>	<u>370,000</u>

Bank loan was for the purchase of 169 Cliff Drive at Katoomba. The loan is secured over the same property.

Note 6 Restricted Donations Obligations

Next Gen Training Fund	1,533	1,533
Next Gen International Fund	6,149	9,949
Next Gen Funding	0	31,250
Base Camp Subsidy	140	0
KYCK Subsidy	3,562	7,000
One Love Subsidy	7,340	0
Oval Funding donation	0	995,772
	<u>18,723</u>	<u>1,045,503</u>

Oval funding donation was initially a tied donation received for work on Clairvaux Oval. The donor has subsequently agreed that the funds may be used as general funding for any convergence centre related expenditures. The directors are of the opinion that this donation is no longer to be treated as a tied donation.

Katoomba Christian Convention Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

	2019	2018
Note 7 Retained equity		
Reserves		
Property revaluation		
Opening balance	2,961,216	2,961,216
Valuation increases		
Property impairment costs		
Closing balance	<u>2,961,216</u>	<u>2,961,216</u>
Total balance of reserves	7,736,523	7,589,320
Retained earnings		
Opening balance	7,736,508	7,589,320
Surplus/(loss) for year	1,163,007	147,203
Closing balance	8,899,515	6,723,523
Total Retained Equity	<u>8,899,530</u>	<u>7,736,523</u>

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL
STATEMENTS

For the year ended 31st December 2019

Note 8 Property plant and equipment

	Property Development Cost \$	Land & Buildings \$	Right To Use Asset \$	Motor Vehicles \$	Equipment \$	Furniture and fittings \$	Work In Progress - System	Total \$
Gross carrying amount this year								
Balance start of this year	0.00	8,787,223.62	0.00	95,661.61	637,725.75	540,085.00	0.00	10,060,695.98
Additions	0.00	54,155.03	113,925.00	0.00	45,853.50	8,226.24	164,388.70	386,548.47
Write-off	0.00	2,068.77	0.00	0.00	0.00	0.00	0.00	2,068.77
Revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance end of this year	0.00	8,843,447.42	113,925.00	95,661.61	683,579.25	548,311.24	164,388.70	10,449,313.22
Depreciation and impairment this year								
Balance start of this year	0.00	684,602.00	0.00	48,532.00	530,524.00	353,960.00	0.00	1,617,618.00
Additions	0.00	53,114.13	0.00	13,040.39	34,319.53	43,936.03	0.00	144,410.08
Disposals	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Balance end of this year	0.00	737,716.13		61,572.39	564,843.53	397,896.03	0.00	1,762,028.08
Carrying amount this year	0.00	8,105,731.29	113,925.00	34,089.22	118,735.72	150,415.21	164,388.70	8,687,285.14
Gross carrying amount last year								
Balance start of last year	637,575.27	7,648,064.40	0.00	93,661.00	614,624.00	531,182.00	0.00	9,525,106.67
Additions	141,609.06	126,159.22	113,925.00	2,000.00	23,101.75	8,903.00	0.00	415,698.03
Disposals	(779,184.33)	0.00		0.00	0.00	0.00	0.00	(779,184.33)
Revaluation	0.00	1,013,000.00		0.00	0.00	0.00	0.00	1,013,000.00
Balance end of last year	0.00	8,787,223.62	113,925.00	95,661.00	637,725.75	540,085.00	0.00	10,174,620.37
Depreciation and impairment last year								
Balance start of last year	0.00	601,664.00	0.00	35,565.00	498,109.00	308,945.00	0.00	1,444,283.00
Additions	0.00	82,938.00	0.00	12,967.00	32,415.00	45,015.00	0.00	173,335.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance end of last year	0.00	684,602.00	0.00	48,532.00	530,524.00	353,960.00	0.00	1,617,618.00
Carrying amount last year	0.00	8,102,621.62	0.00	47,129.00	107,201.75	186,125.00	0.00	8,443,077.37

Katoomba Christian Convention Limited
ABN 86 000 153 560
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2019

Note 9: Effect of Changes in Accounting Policy

The entity has adopted the following Accounting Standards for application on or after 01 January 2019:

- AASB 16: Leases

The adoption of AASB 16 has resulted in material differences in recognition and measurement of the Right to Use Leased Assets. The entity has elected not to adjust comparative information under AASB 16. The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 December 2019 is as follows;

Operating Profit before income tax	Nil
Increase in Non-Current Assets	\$ 113,925
Increase in Current Liabilities	\$ 59,439
Increase in Non-Current Liabilities	\$ 54,486

Katoomba Christian Convention Limited
ABN 86 000 153 560
For the year ended 31st December 2019
DIRECTORS' REPORT

Your directors present their report on Katoomba Christian Convention Limited ("the company") for the financial year ended 31st December 2019.

Directors

The name of each person who has been a director during the year and to the

Rod Walker - Chairman	(appointed 15/2/2018)
Andrew Wilkinson	(appointed 23/8/2018)
Jonathan Dykes	(appointed 26/4/2012)
Philip Wheeler	(appointed 1/1/1993)
Gillian Davidson	(appointed 12/10/2017)
Lauren White	(appointed 12/6/2018)
Alan Thompson	(appointed 15/5/2018)
Peter Orr	(appointed 7/8/2018)

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company is promoting the Gospel of the Lord Jesus Christ through the ministry of Christian conventions and the operations of a convention and accommodation at camp site. There has been no significant change in the nature of the activities of the company during the year.

Operating Result

The operating result from ordinary activities was surplus \$167,235 (last year : loss \$86,613). The company is exempt from income tax.

Dividends Paid or Recommended

The Company is limited by guarantee and is not permitted to pay dividends.

Review of Operations

The Company operated on a consistent basis to previous years in the conduct of the principal activities noted in this report and the results of operations are as disclosed in the financial report.

Significant Changes in State of Affairs

There have been no significant changes to in the state of affairs of the company.

Katoomba Christian Convention Limited
ABN 86 000 153 560
For the year ended 31st December 2019
DIRECTORS' REPORT

Events After Balance Sheet Date

During March 2020 various Australian Government's and health authorities directed organisations (including KCC) TO FOLLOW CERTAIN GUIDELINES RELATING TO EVENTS. KCC will follow these directions and cancel or defer conference events. The financial consequences of following these directions are yet to be determined but are to negatively impact upon KCC's trading performance for the year ending 31 December 2020.

Future Developments

The company will continue to pursue its principle activities.

Environmental Issues

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

Options

The company is limited by guarantee and as such, no options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

The company has agreed to indemnify Directors and officers against all liabilities to another person that may arise from their position in the company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the company will meet the full amount of any such liabilities including costs and expenses to a limit of \$10,000,000 in accordance with the Directors and officers policy.

Since the end of the previous financial year, the company has paid all insurance premiums in respect of Directors' and officers' liability insurance contracts for the Directors and officers of the company. The insurance policy covers costs and expenses incurred by the relevant officers in defending proceedings, whatever their outcome, and other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or use of information or position to gain personal advantage.

Proceedings on Behalf of Company

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

Katoomba Christian Convention Limited
ABN 86 000 153 560
For the year ended 31st December 2019
DIRECTORS' REPORT

Directors and Executive Directors' Emoluments

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

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40a of the *Australian Charities and Not-for Profits Act 2012* is attached and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors.



Rod Walker
Chairman
Date :



Jonathan Dykes
Executive Director

Date : 30.09.20

Katoomba Christian Convention Limited
ABN 86 000 153 560
For the year ended 31st December 2019
Directors' Declaration

The Directors of Katoomba Christian Convention Limited declare that:

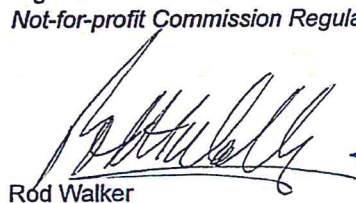
1. the financial statements and notes are in accordance with the *Charitable Fundraising Act 1991 NSW* and

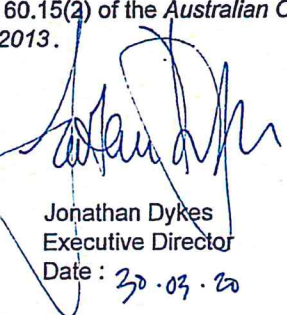
(a) comply with Accounting Standards and the Corporations Regulations; and

(b) give a true and fair view of the Katoomba Christian Convention Limited's financial position as at 31st December 2019 and of its performance for the year ended on that date;

2. In the Directors' opinion, there are reasonable grounds to believe that Katoomba Christian Convention Limited will be able to pay its debts as and when they become due and payable.

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


Rod Walker
Chairman
Date :


Jonathan Dykes
Executive Director
Date : 30.03.20

Katoomba Christian Convention Limited
ABN 86 000 153 560
For the year ended 31st December 2019
Chairman's Declaration

Declaration to be furnished under the Charitable Fundraising Act 1991 NSW.
The declaration is made in accordance with Regulations 7(4) and 7(5) issued by
the Minister under Section 19 of the Charitable Fundraising Act 1991 NSW.

I, Rod Walker, Chairman of the Board of Katoomba Christian Convention
Limited, declare that in my opinion:

- a) the financial statements give a true and fair view of the of all income and
to fund raising appeals; and
- b) the Statement of Financial Position gives a true and fair view of the state of
fundraising appeals; and
- c) the provisions of the Charitable Fundraising Act 1991 NSW, the regulations
the conditions attached to the fundraising authority have been complied with
by the company; and
- d) the internal controls exercised by the company are appropriate and effective in
income received and applied by company from any of its fundraising appeals.



Rod Walker
Chairman
Dated:



ABN 70 634 348 351
Unit 2, 7 Lloyds Avenue
Carlingford NSW 2118

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Web: www.fccaudit.com

Katoomba Christian Convention Limited

ABN 86 000 153 560

Auditor's Independence Declaration

Under Section 60-40 Australian Charities and Not-for-profits Commission Act 2012

To the Board of Katoomba Christian Convention Limited

I declare that, for the year ended 31st December 2019, to the best of my knowledge and belief, there have been;

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bruce Frost CA
Registered Company Auditor 4436
FCCAudit Pty Ltd
2/7 Lloyds Avenue, Carlingford NSW 2118
30th March 2020



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Katoomba Christian Convention Limited
ABN 86 000 153 560
Independent Auditor's Report

To the members of Katoomba Christian Convention Limited

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of Katoomba Christian Convention Limited which comprises the Statement of Financial Position as at 31st December 2019 and the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

In my opinion the financial report of Katoomba Christian Convention Limited have been prepared in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012, and Section 24(2) of the Charitable Fundraising Act 1991 NSW and Regulations, including:

- i. giving a true and fair view of the company's financial position as of 31st December 2019 and of their performance for the year ended on that date; and
- ii. complying with Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial report section of my report. I am independent of the company 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 (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibility for the financial report.

The Directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of ACNC Act, the Charitable Fundraising Act 1991 NSW and Regulations, and the needs of members in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility also includes such internal controls as the Directors determine 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.



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In preparing the financial report, the Directors are responsible for assessing the company'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 the Directors intend either to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but it 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 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 Accounting Standards, professional judgement is exercised and professional scepticism is maintained throughout the audit. I also:

- Analyse the risks of material misstatement in the financial report are identified and assessed, whether due to fraud or error, and design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the company'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 company's ability to continue as a going concern. If I were to conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.



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I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In my opinion,

- a) the financial statements give a true and fair view of the financial result of fundraising appeal activities for the year ended 31 December 2019; and
- b) the Financial Statements have been properly drawn up and the associated records have been properly kept for the period from 1 January 2019 to 31 December 2019, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from
 - i. 1 January 2019 to 31 December 2019 has been properly accounted for and applied in
 - ii. accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- d) there are reasonable grounds to believe the company will be able to pay its debts as and
 - iii. when they fall due.

Bruce Frost CA
Registered Company Auditor 4436
FCCAudit Pty Ltd
2/7 Lloyds Avenue, Carlingford NSW 2118
30th April 2020